

NAVY review completed

24 September 1975

MEMORANDUM FOR: Director of Personnel

SUBJECT : Survey of Position Management and Compensation  
Division, OP

In keeping with our understanding, submitted under separate cover is my report of survey of PMCD. As discussed with you and your Deputy, and as noted briefly to the DD/A, the study outline initially provided was used as a guide in the survey. Certain suggested areas of "exploration" in that outline were not pursued because in light of the currency of documentation in PMCD, including studies of the Civil Service Commission in some of which PMCD participated quite actively, such "exploration" would have been, in my opinion, nonproductive or duplicative.

The report will have to speak for itself, but there are one or two general points I would like to make here. First, in PMCD I believe you have a dedicated, experienced and competent staff, well equipped to discharge its mission. This is not to say that PMCD is without fault or problems, but the base is good and faults can be corrected and problems solved. Second, while this survey will not, in all probability, contain any "new and startling" insights, it may reinforce some management concerns and the need for early and decisive corrective action, it may bring to mind some forgotten, or ignored, principles of position management and classification, and it will provide some concrete, practical recommendations which, if implemented and supported by all concerned, will, hopefully, lead to significant improvement in the Agency's management of manpower resources. These recommendations are set forth at appropriate points throughout the report. However, it might be helpful if I were to summarize here the most significant ones together with a brief note on the deficiencies they are designed to correct or the problems which they might be helpful in solving. I would also add that where recommendations call for regulatory amendments, or the promulgation of policy statements or other documentation, suggested drafts of such material are included in the body of the report.

A. Mission:

In order to ensure that all concerned are fully aware of the importance of, and need for, position management and grade control in the management of manpower resources and that the role of

ADMINISTRATIVE - INTERNAL USE ONLY

the Director of Personnel exercised through PMCD in these areas is understood, accepted and supported, it is recommended that:

1. That the DCI issue as an Employee Bulletin or a Headquarters Notice, or both, a policy statement outlining his manpower resource management concerns and proposed actions to ensure better management in this area.

STATINTL 2. [ ] be amended to establish, by regulation, the responsibility of the Director of Personnel to administer position management and grade controls and related areas of manpower resource management.

STATINTL 3. [ ] be amended to define, with some degree of precision, the totality of the Director of Personnel's/PMCD's mission for position management, classification and compensation and the nature of surveys which must be conducted to "audit" the continuing validity of organizational structures and position classifications.

B. Responsibility and Authority:

In order to clarify manpower resource management responsibilities and authorities, to avoid duplication of effort and to focus on the need for the coordination or collaboration of diverse elements in the Agency in certain areas of manpower resource management, it is recommended that:

STATINTL 1. [ ] (e) be amended to include the Director of Personnel as a channel through which proposed organizational changes must flow to the DCI.

STATINTL 2. Add to [ ] a new subparagraph, (j), which would give to the Director of Personnel, by regulation, the authority he already has by memorandum from the DCI to approve, subject to the Comptroller's concurrence, requests for increases in average grade and upper level ceiling.

STATINTL 3. Delete from [ ] subparagraph (b), which would no longer be necessary in light of the above noted addition of subparagraph (j) [ ]. (This deletion would require the STATINTL renumbering of [ ] d and e) to (b, c and d).

4. Amend [ ] (a and c) to provide for Comptroller and Director of Personnel collaboration in reviewing proposals: for significant manpower allocation or structure changes, for recommendations to the Director in these and related areas and for ensuring continuing review of manpower levels and allocations.

ADMINISTRATIVE - INTERNAL USE ONLY

STATINTL 5. Amend [ ] by deleting the words "and the workload involved" since "workload" is supposedly not a criterion of position evaluation. (Note: [ ] would require amendment later if the factor-ranking/benchmark, or other uniform system of position evaluation is adopted.)

STATINTL 6. Amend [ ] to levy responsibility on the Director of Personnel for periodic reporting to the DCI and the Deputy Director concerned for Personal Rank Assignments of supergrade personnel and nonsupergrade personnel assigned to supergrade positions. Also amend [ ] by adding a new subparagraph (3), to reflect the reporting requirement that would be imposed by the noted amendment to [ ]

STATINTL 7. Amend [ ] c) by providing for an Audit Staff review of existing Office of Personnel position management survey data prior to initiating "Agency resources" audits as defined in [ ] STATINTL (2) (b) (2).

STATINTL 8. Amend [ ] by replacing subparagraph (d) with a new subparagraph (d), (this will require renumbering the existing (d, e, f and g) to e, f, g and h), to require the Audit Staff to coordinate with the Director of Personnel on all audit findings and recommendations relating to position management and manpower utilization.

### C. PMCD - Organization and Staffing:

In order that PMCD may discharge the totality of its responsibilities, provide necessary position documentation, as well as the establishment, maintenance, and continuing update of standards, and develop and exercise the creativity essential to both the viability and currency of any position management and classification activities, it is recommended that:

1. The staff of PMCD be increased; the number (which to some degree be influenced by the degree to which recommendations in this report are approved and implemented) to be determined by the Director of Personnel. ✓

2. A definitive plan for PMCD staffing be devised to ensure: (a) the continued existence of a core of "professional" classifiers or PMCD "careerists" and (b) a regular rotation of "other" careerists through PMCD (a tour of four years is recommended), a greater emphasis on "management" or "system analysis" orientation and/or such training for personnel assigned to PMCD. ✓

3. The initiation on an immediate and urgent basis - even at the expense of a diminution or temporary cessation of cyclic surveys - of a program designed to provide "meaningful standards" for

ADMINISTRATIVE - INTERNAL USE ONLY

as many positions as possible. It is also suggested that this program utilize not only the work currently being done by PMCD on the new factor-ranking/benchmark system of the Civil Service Commission, but also the modular evaluation system used so successfully by PMCD with respect to certain positions in the Office of Communications. This suggestion is offered for several reasons including the fact that the modular system requires input from the operators and does away with the need for a multiplicity of job descriptions. One further thought - initial application to show what the system can do might be made in Division D, DDO; in the Information Services Group, CRS, DDI; with respect to scientific positions in DDS&T, and the Office of Joint Computer Support in DDA.

#### 4. The recreation of a Standards Branch.

##### D. PMCD - Its Modus Operandi and Relationships with the Operators:

Even the critics admit the need for PMCD, its objectivity in discharging its responsibilities and the validity of surveys - though not necessarily on the current cyclic basis - which PMCD must conduct. Those same critics - with agreement from PMCD in many cases and disagreement in as many more - point up what, to them, are significant problems they encounter in dealing with PMCD. Rather than attempt any general recommendations in this area, it is suggested that you and your staff review the PMCD "poll" included in this report to determine those areas in which you think corrective internal action might be desirable and those in which the need for "operator education and support" are the primary requisite.

##### E. PMCD - Its Place in the Agency Hierarchy:

A question sometime discussed is whether or not PMCD can really do an effective job given its "remoteness" from top management and the multiplicity of channels through which its findings and recommendations must flow before, in many cases, decisions for actions can be made. Though a case could be made to move PMCD to a higher, more independent level of Agency management, in order to give it a more positive "say" in the management of manpower resources, it is recommended that so such relocation be effected. First, PMCD related activities are for the most part elements under the Director of Personnel or his counterpart [i.e., the Deputy Director General of the Foreign Service who is also the Director of Personnel in State, the Director of Civilian Manpower Management (DCM) in Navy] throughout Government and industry. Second, in the Agency the interrelationship of PMCD's functions with other policy and control responsibilities of the Office of Personnel dictate the need for the Director of Personnel to have these related activities under his direct control. However, it must



be recognized that these policy and control responsibilities might more properly be described as "staff" functions and different from what might be termed the "line" functions of personnel services or personnel administration activities such as recruitment, placement, etc. Further, that these "staff" responsibilities require, as was true under the Executive Director-Comptroller modus operandi, a different access to, direction from, and support of the highest level of Agency management. Thus, while it is recommended that PMCD remain where it is, that is, in the Office of Personnel, it is also suggested that consideration be given to clarifying the distinction - if there is indeed one to be made - between the staff and line responsibilities of the Director of Personnel and defining the mechanisms or channels by or through which these differing responsibilities can best be discharged. ✓

F. Centralization vs Decentralization:

It is my opinion, shared by almost all interviewed in the course of the PMCD "poll", as well as many others with whom the point was discussed in the course of this survey, that decentralization of PMCD's functions - except to the degree used in the application of the modular evaluation system in the Office of Communications, is neither necessary nor desirable. However, if for any reason management would still wish to consider decentralization, it is recommended that no action to decentralize any of PMCD's functions be undertaken at this time. There are at least two reasons for this recommendation. First of all, the totality of PMCD's mission and responsibilities is neither understood nor accepted by the line managers to whom such decentralization would have to be effected and hence the need to get the basis for a centralized system clearly established before any thought can be given to any delegation of classification or other PMCD function or authority. Second, the position documentation and mutually understood job standards essential to any management system, especially one that is decentralized, simply do not exist to the degree necessary and must be developed to put the current centralized program on the desired firm footing. Only after these deficiencies are corrected could or should any consideration be given to decentralization because only then could a valid determination be made as to what function or functions of PMCD might be decentralized and to what level and with what constraints. ?

G. Administration of Supergrade and SPS Positions:

To meet the need for better administration of supergrade and SPS positions, it is recommended that:

1. A joint, concerted effort be made by the Office of Personnel and the "operators" to develop more realistic job descriptions for supergrade and SPS positions.

2. PMCD using a combination of both the upcoming factor-ranking/benchmark system and factor analysis criteria of the Executive Evaluation System developed earlier (by a management consultant firm under contract to the Civil Service Commission) as part of the Federal Executive Program, undertake to construct a more objective method for the creation of standards for the evaluation of supergrade and SPS positions.

3. To help ensure a greater uniformity in the development and application of these processes, the Director of Personnel consider making one classifier in PMCD responsible for these and related phases of the administration of supergrade and SPS positions. This officer would, in effect, become the Office of Personnel specialist on supergrade/SPS problems, whether they be problems of promotion, ceiling, standards, position evaluation, the utilization of positions or personnel, or any regular, annual or other reviews of manpower resource management as they impacted on these executive levels.

4. In recognizing the requirement for involvement of the Director in matters of supergrade and SPS personnel, and in the absence of the Executive Director-Comptroller, the Director delegate to the DDCI, or such other senior officer he might choose, responsibility for final decision making authority on actions relating to such supergrade/SPS personnel and/or positions. It might also be noted that such a delegation might properly go to the Director for Management if the Rockefeller Commission's proposal for the establishment of that position is approved and implemented.

5. Looking to the future when hopefully the current salary "freeze" will be lifted, and recognizing the significant salary levels which would then be applied to supergrade and SPS positions, consideration be given to the establishment of upper/lower "salary limits" as opposed to "GS grades" for executive level positions. (A not entirely new idea.) Such a system, which might put a more realistic "value" on positions and provide a greater flexibility in "executive" level assignments is described in more detail in the body of this report. If found feasible "in principle," it might be initiated on a trial basis with respect to overseas stations.

Obviously these recommendations, if approved, will require the effort and cooperation of a host of individuals and components throughout the Agency; but whether or not they are approved or others and better ones substituted for them, it must be made absolutely clear to

all that the requirement to manage manpower resources is a real fact of life in Government today - more real than even before - and all must do their part to see that Agency management is as good as, or better than, the rest of Government.

STATINTL

One last note - but a most important one. Let me acknowledge, with thanks to you for their detail, the able and unstinting efforts of [redacted] in this study. I'll take the blame for any shortfalls - but credit for any contribution this study makes to better management of manpower resources is due in no small part to the hard work and professionalism of these fine officers.



STATINTL

Atts.  
u/s/c

ADMINISTRATIVE - INTERNAL USE ONLY

2 December 1975

STATINTL

Office of Personnel Comments on  
[ ] Report of Survey of PMCD  
(September 1975)

STATINTL

1. General Comment

[ ] has developed a professional and thorough report of survey of PMCD. He has focused on the primary aspects and issues of this function. We consider his findings to be objective and logical. Our comments, therefore, are directed at the recommendations contained in Tab F "Specific Findings - Conclusions - Recommendations."

2. Specific Comments

Recommendation #1

That the cyclic survey program, which is a main contributor to PMCD's heavy workload and of questionable value in the minds of many, be reexamined with a view toward its elimination in favor of a "maintenance" program, or its reduction in frequency and scope.

STATINTL

Recommend that any "personnel savings" resulting be channeled into standards program activities.

Comment: As noted by [ ] in his "findings," PMCD is faced with a continuously heavy workload which requires continuous adjustments in priorities to meet requirements. "Less effective" activities are difficult to identify in that the array of requirements handled by PMCD are of almost equal importance. The cyclical survey program, ad hoc special surveys and position classification requests, reviews of appeals to classification judgments, statutory compensation changes, requests for non-standard work schedules and FLSA implementation impose an extremely heavy load on a limited working staff. The cyclical survey program imposes the heaviest load on PMCD but is the essential core program for the fulfillment of the Director of Personnel's Agency position management, effective manpower utilization, position classification and component personnel management evaluation responsibility. The cyclical survey program assures regular scheduled audit of the validity and appropriateness of component organizational structures and functions vis-a-vis their missions and functions, the command structure and authorities, manpower utilization and validation of position distribution and their grades. A "maintenance" program is also necessary (i.e., between scheduled surveys) in order to effect changes that require current attention. Prior to adoption of the cyclical program it was not unusual for some components to go for 5-8 years without a complete overview survey. Position management classification and manpower utilization problems can grow to serious proportions in such situations and are extremely difficult to correct. While it is true that some past surveys have been of marginal value from a "results" standpoint, the increasing number of requests for surveys from various components as well as the tone of feedback regarding our efforts suggests that the

ADMINISTRATIVE - INTERNAL USE ONLY

PMCD survey is becoming one of the Agency's best management tools. Moreover, current survey inputs will be absolutely essential for standards and benchmark development, monitoring compliance with FLSA, and other position management activity.

The answer, of course, is to maintain both a quality standards program and a survey program without sacrificing one for the other. To do this would probably require an increase in PMCD's staff to  If an increase in staff is not possible, then the number of surveys must be reduced (without eliminating the cyclic program) in favor of greater effort on standards and benchmark development.

STATINTL

Recommendation #2

That as many as possible of PMCD's current staff be assigned to a "crash" standards development program.

Recommend that coincidental with, or at the conclusion of, this program the standards branch be reestablished.

Comment: We agree that a carefully planned standards effort is necessary to clearly define evaluation criteria which is understandable to, and accepted by, management. In fact, PMCD had already begun this effort prior to the survey of PMCD. However, a quality product will require a substantial manpower commitment over a long period of time, and several internal assignments within PMCD have already been made for this purpose.

Recommendation #3

That PMCD continue its work leading to the adoption of the principles of the new Civil Service Commission's Factor-Ranking/Benchmark System which will provide a desired "uniform" base that can be readily understood by operator and classifier alike. Further recommend in the interest of ensuring greater operator participation that the modular evaluation technique used so successfully by PMCD in certain Office of Communications positions (and which would seem to have similar application in places such as Div D, DDO, ISS in CRS/DDI, scientific positions in DDS&T and finance positions in DDA) be used as extensively as possible.

Comment: We agree that PMCD should continue its work leading to the installation of the "Factor-Ranking/Benchmark" methodology. The modular system (which uses work examples rather than basic job factors that are the real basis for position evaluation) can be used in certain activities such as OC but would not be pertinent in most situations. We believe, therefore, that our objective, insofar as possible, should be the development of only one system for application on an Agency-wide basis.

Recommendation #4

Recommend (in addition to DCI Policy Statement on subject of Position Management) that (1) a position classification training program be developed for the purpose of "educating" component personnel officers



and operating officials involved in classification activities. (Such a program isn't incorporated in existing supervisory/management training courses.) (2) Publish a position management "flyer" for line managers.

Comment: Agree with conclusion. PMCD presently offers two sessions per year of their training program for OP careerists. This is about all PMCD can handle with present staff and workload. One hour presentations should be incorporated in OTR courses such as the Mid-Career, Basic Supervision and the Management Seminar. The present briefing paper provided component heads prior to scheduled surveys should be reviewed for possible improvement.

Recommendation #5

In the absence of an Executive Director-Comptroller or the delegation of final classification authority to a senior officer of the Director's choice, a formal appeal policy and procedural mechanism be established. This mechanism should provide for appeal by the operator, position incumbent, and - when such is necessary to maintain equity - by PMCD.

Comment: A clear delegation of position classification authority (all grade levels) should be made by the DCI to the Director of Personnel.

Recommendation #6

That general controls be adopted to stop grade creep and the increase in supergrade positions and people.

Comment: An increase in average position grade is not unusual in any organization that has experienced sizeable reductions in overall ceiling over a period of a relatively few years. Nonetheless, grade creep is costly and usually requires strict control measures if it is to be halted. The Agency's supergrade allowances are allocated by OMB and must be justified for retention and/or increase to OMB. We can expect close scrutiny by OMB of our supergrade ceiling in the near future.

Recommendation #7

That control of average grade and of position management be monitored by DCI review in a manner similar to the APP on the people management side.

Comment: We agree that more emphasis should be placed on operating component managerial responsibilities as regards their role in more effective position management and position grade control. However, from a practical standpoint, any specific proposals regarding a monitoring function must necessarily relate to the extent of changes in authorities, policies, and procedures which result from the total recommendations in this report. Initially at least, we believe that the recommendations regarding D/Pers responsibilities as given elsewhere in the report will provide for any monitoring necessary.

Recommendation #8

Amend the Regulations to include position structure in the gross personnel ceilings at the time of allocations. Presently a Comptroller function (from a staff standpoint) the combination would be a joint Director of Personnel (PMCD) and Comptroller responsibility to the DCI with D/Pers responsible for review and monitoring.

Comment: We disagree. By including position and grade structure in the gross personnel ceilings at the time of allocations unnecessary delays would be created. In "allotting" the numbers of positions at each grade level (GS-15, 14, 13, etc.) a ceiling at each level would thereby be established which components could cite as a basis for maintaining the number of positions "authorized" at each level. New ceiling allocations (including supergrade allowances) should flow from a review and justification of the activity and the development of a basic organization and position structure.

Recommendation #9

Define the position management function at the Agency level and place it upon the Director of Personnel as the other part of the position evaluation function. The objective would be to assure that the entire Agency understood that position management and classification are staff and coordinating functions of the Director of Personnel.

STATINTL Comment: We agree that the delegations of authority to the Director of Personnel and PMCD's charter as regards position management and position evaluation and classification should be more succinctly spelled out in the regulations. At the present time these responsibilities are expressed in [REDACTED], and a Headquarters Notice.

Recommendation #10

Examine the competitive promotion policy and the CSGA. Perhaps with the reduced complement and the average grade of incumbent approaching the position average grade, the CSGA should be based on position requirements not on established positions and the actual advancement of an approved candidate for promotion, particularly at upper and supergrade levels should await the opening up of a position at the appropriate grade.

Comment: The Career Service competitive evaluation, ranking and promotion system is based on the "rank-in-the-man" principle of evaluation and promotability of individuals in competition with other individuals in the competitive "group." The CSGA is an integral element of this competitive system and must be based on the actual graded position structure (i.e., not on position requirements). However, the question as to whether this approach is valid today should perhaps be studied.

Recommendation #11

Develop a more sophisticated basis to evaluate supergrade positions. The format and fact or analysis developed by the Civil Service Commission under that portion of the Coordinated Job Evaluation Plan applicable to the Executive Evaluation System (EES) would appear to provide an excellent base under which PMCD and "Agency executives" could build the necessary documentation for better supergrade position evaluation. A copy of the EES "factors" is attached.

Comment: We agree, although the Executive Evaluation System (EES) is not necessarily the answer. It is possible that an extension of the basic Factor-Ranking/Benchmark System currently under review for evaluating GS-1 through GS-15 positions might then be the most appropriate basis for evaluating supergrade positions.

Recommendation #12

Establish a periodic review and report by the Director of Personnel to the DCI on the management and utilization of supergrade positions as they become vacant.

Comment: See comments to Recommendation #16.

Recommendation #13

In the case of impasse between the Director of Personnel and the Directorates on the classification of supergrade positions - impasse formerly resolved by the Ex Dir-Compt, the DDCI, or other designee of the DCI, would make the decision. This appeal channel is suggested not only to remove the Deputies and/or their Associate Deputies from the awkward position of ruling on their own supergrade structure, but also to reinforce the Director's immediate responsibility for decisions relative to supergrade positions and personnel.

Comment: See comments to Recommendation #16

Recommendation #14

The Director of Personnel should report to the Deputy Director concerned at the completion of two years of a SG PRA assignment and seek instructions on ending the PRA. The same procedure should be followed with respect to the reverse situation, namely the non-supergrade individual blocking a supergrade slot.

Comment: See comments to Recommendation #16.

Recommendation #15

Quite apart from other reporting, the Director of Personnel should report once a year to the DCI on the number of supergrade personnel PRA'd, and the number of non-SG personnel occupying SG positions. Report

to be by major directorate, to show length of time of assignment and the Director of Personnel's recommendation for resolving "problem assignments" which have extended beyond a reasonable period.

Comment: See comments to Recommendation #16.

STATINTL

Recommendation #16

STATINTL

The new responsibilities of the D/Pers should be reflected in amendments to [redacted] Management of SG Personnel as cross referenced in [redacted] Suggested revisions are attached.

Comment: The Office of Personnel with the collaboration of the Office of the Comptroller is preparing a paper on the management of supergrade positions and allowances which addresses these points.

STATINTL

Recommendation #17

Rework [redacted] Personnel Administration to reflect the change of focus from service to control on personnel planning and control. Include the Director of Personnel responsibilities for position management, average grade control in this general statement of policies. The policy followed should be one of centralized planning and control of positions, but with people management, including assignment, promotion, utilization decentralized as at present subject to D/Pers review.

STATINTL

Comment: We agree that [redacted] as well as other related regulations should be thoroughly reviewed and reworked, in relation to such changes in authorities and responsibilities as result from the recommendations contained in this report.

STATINTL

Recommendation #18

Approval and review, including periodic surveys as provided for in [redacted], of position structure and the classification of positions should remain a responsibility of the Director of Personnel through PMCD/OP.

Comment: We agree.

Recommendation #19

Good organization communication is based on confidence and is largely an aspect of leadership, to be achieved in part in the case of position management by the formal steps, announcement of intention, and regulatory and other policy/procedural amendments as discussed elsewhere in this report.

Technical aids to good communication would include the development, with operator participation, the promulgation of position standards, the inclusion of position management and classification in the training curriculum for supervisory and management training, the publication of a flyer, such as the Navy Dept's, on position management. [A "first-cut" draft of such a pamphlet based on the Navy "flyer" is included in this report.]

Make grade and position management an evaluation factor in the performance evaluation of every line supervisor, branch chief, division chief, Office Head, Career Service Head. Make all levels of supervisors which originate or propose official statements of duties and responsibilities understand that they are certifying what is in effect a pay-roll document; and that while the Director of Personnel through PMCD, OP has the staff and coordinating responsibility, final responsibility rests with line management.

Comment: No disagreement.

**ADMINISTRATIVE - INTERNAL USE ONLY**



~~SECRET~~

PMCD  
REPORT OF SURVEY

September 1975

25X1

This document may be downgraded to Administrative-  
Internal Use Only when separated from classified  
tabulations "F" and "Appendices."

25X1

~~SECRET~~

TABLE OF CONTENTS

<u>Foreword</u>	Tab A
<u>Background</u> (An Overview of Personnel/Position Management)	Tab B
<u>Classification Authority</u> (In the Agency and CSC Trends)	Tab C
<u>Classification Authority</u> (Centralization vs Decentralization)	Tab D
◦ Private Industry (Att A)	
◦ Department of State (Att B)	
◦ Energy Research Development Administration (Formerly AEC) (Att C)	
◦ National Security Administration (Att D)	
◦ Department of the Navy (Att E)	
<u>PMCD Poll</u>	Tab E
◦ Criticisms (Att A)	
◦ Observations (Att B)	
◦ Problems (Att C)	
<u>Specific Findings - Conclusions - Recommendations</u>	Tab F
Part I: PMCD - Staffing, Organization and Modus Operandi (Att A)	
Part II: Position, Grade and Manpower Controls	
◦ The Grade Creep (Att B-1)	
◦ Responsibilities (Att B-2)	
◦ Personnel Management (Att B-3)	
◦ Organization Communication (B-4)	
Part III: Drafts of proposed regulatory amendments, policy statement recommended for issuance by DCI, as Employee Bulletin, suggested "Position Management" pamphlet for managers, and executive evaluation system factor criteria for application to supergrade positions. (Att C)	
Part IV: Application of Modular Evaluation System (Att D)	
<u>Supergrade Administration - An Alternative Suggestion</u>	Tab G



FOREWORD

To oversimplify what is a very complicated subject, the current study of PMCD could be said to have had its genesis in three questions -- ever present, but raised more recently on a more urgent note:

1. What is wrong with PMCD?
2. Can PMCD be decentralized?
3. Is there a better way of handling the "problem" of supergrades?

Equally oversimplified replies might go something like:

1. Several things -- but they are not all PMCD's fault, nor can the "failures" of position (manpower resources) management be laid primarily -- or possibly at all -- at PMCD's door. Perhaps it (PMCD) lacks the understanding, support, status, authority or "clout" necessary to the effective discharge of its responsibilities.

2. One of its functions -- classification of positions -- could be, but SHOULD it be? Are the advantages, assuming there are advantages, worth whatever price, if there is a price, that must be paid and finally, assuming positive answers to these last cited questions, are there adequate technical, administrative and personnel bases to permit such decentralization at this time?

3. There may be but it might mean thinking of positions and people in terms of their "dollar" not their "grade" worth. Because when one looks at the salary levels that "could" exist were it not for the present "freeze" a not unreasonable question might well be: Are all GS-18, or 17, or 16 positions/personnel/responsibilities really "equal"?

Obviously, oversimplifications don't help very much in problem solving, but in this instance they have served as a basis for what might be termed fairly brief monographs, included in the report, that:

1. Provide an overview of PMCD's classification practices and policies.
2. Look at PMCD through the eyes of its critics as well as through its own reflective mirror.
3. Discuss the problem of classification centralization versus decentralization in government in general, more particularly in "exempt" agencies, and specifically, in this Agency.

**ADMINISTRATIVE - INTERNAL USE ONLY**

B



BACKGROUND

"An Overview of Personnel/Position Management"

Prior to the initiation of the current study of PMCD, the Deputy for Plans and Control, Office of Personnel and his staff had begun to look at this activity with a view not only of improving its image, its modus operandi and its relationship with Agency operators and line managers, but more importantly of conveying to and through management at all levels a better and more complete understanding of the fact, character and the importance of PMCD's role in the management of manpower resources.

STATINTL

Since an understanding of personnel and position management in general terms was fundamental to all of the above expressed goals, in April 1975 [ ] retired, formerly Chief of the Review Staff, Office of Personnel and at the time on contract to the Office of Personnel, undertook to draft a paper on the philosophy of personnel management and the interplay of position classification, compensation and management in the deployment of personnel resources, and the control of expenditures for personnel services and the application of these factors within the Agency. His paper, which follows in almost its entirety (it never really saw the "official" light of day - his contract terminated and a determination was made to initiate the current study), would provide an excellent background or "overview" of personnel/position management (and it has so been titled for this exercise) for any review of the classification - compensation - management of manpower resources. It can also serve as a "refresher" of some basic principles, guides and constraints of personnel/position management for those responsible for - or subject to - manpower resource management.

ADMINISTRATIVE - INTERNAL USE ONLY

(Personnel/Position Management - An Overview)

Surely it is as important to preplan the development of personnel resources as it is to budget the expenditure of financial resources; and, personnel management presents different and more complicated problems than those involved in the control of expenditures for personnel services. There is no way to recruit or train or put to work a ceiling allocation or a dollar budget entry in object class eleven. Personnel management actions involve individual people with particular combinations of abilities, aptitudes and interests. Personnel actions can be only determined intelligently against management's understanding of productive effort in terms of the people factors involved and its resulting intent concerning the makeup and deployment of the work force. The position management system is designed to provide that background in terminology which is consistent and useful Agencywide.

Position Management functions to refine gross personnel ceiling allocations by adding the basic occupational information which is essential to the intelligent management of human resources. The position structure records management's analysis of personnel requirements and its plans for deploying personnel assets according to the need for various occupational skills and abilities at different levels of responsibility and pay. A system to produce some such blueprint is the cornerstone of any program for managing more than a handful of employees.

Most personnel systems in government and in the private sector are founded on the basic concept of pay for work. Work is evaluated for this purpose either in terms of the job done, as described by the nature and level of the duties and responsibilities involved, or in terms of productivity as measured by the quantity and quality of units accomplished. In the former case an employee's pay derives from his assignment to a particular job and in the latter from his performance within some prescribed range of productivity. On the other hand, the concept of pay based upon personal rank is peculiar to those personnel systems wherein periodic geographic relocations of employees is an overriding factor. In these systems employees are moved with some frequency between relatively structured assignments at different geographic posts; and, given effective performance, their advancement is based essentially upon seniority.

The interaction of periodic geographic movements of personnel result in relatively brief and often shallow work relationships between individual employees and those responsible for managing and supervising their work. Such officials are seldom required to live for long with

ADMINISTRATIVE - INTERNAL USE ONLY

the consequences of their own actions; and the focus of their concern is likely to become short ranged in terms of those limited productive and political goals which can be accomplished during a given tour of duty. Typically, therefore, these systems assign responsibility for the long range development and deployment of the workforce to mechanisms outside the channels of direct command. Employee's careers are managed by committees and panels which plan patterns of employee development and utilization and determine the timing of specific actions as they affect particular employees. For example, the Foreign Service and the military services are designed to accomodate periodic geographic relocations of personnel which are programmed in time but are neither dictated by nor necessarily related in any direct way to the development or utilization of the particular individuals concerned. Both Foreign Service and military personnel perform a sequence of more or less standardized assignments in a variety of geographic locations as determined by the needs of their services. Those promoted are judged to be most deserving of such improved status and pay as compared with their peers in terms of the long-range needs of the service and in consideration of the promotion headroom available.

On the otherhand, personnel systems which are based on the concept of pay for work depend upon some standard method of classifying work by pay levels. In order to be effective, this process must be responsive directly to the highest level of authority in the area covered by the system and be isolated insofar as possible from the political and emotional considerations involved in the day-to-day operations of the organization(s) concerned. The classification process should function arbitrarily to establish comparable pay levels for like levels of work whether measured in terms of duties and responsibilities or in terms of prescribed unit output. The work-pay structure so established provides the basic framework for managing the workforce. It provides an occupational base to guide line managers who are responsible for developing and utilizing the abilities of employees within the organization and an equitable rationale for compensation which relieves managers and supervisors of the unreasonable and fruitless pressures and conflicts which they would otherwise face in manipulating pay in response to the short-term considerations of day-to-day operations.

In the competitive Federal personnel system, agencies are responsible for applying the principle and standards of the Federal Classification System in analyzing and classifying work by occupation and by pay levels. In so doing they are exercising authority which is delegated by the Civil Service Commission. The CSC monitors and controls the exercise of this authority of an agency which does not adhere to Commission standards and regulations in administering the classification system. This central control insures general uniformity of job classification by occupation and pay throughout the Federal system wherein pay levels are a direct function of the level of work performed.

ADMINISTRATIVE - INTERNAL USE ONLY

How much similarity could one expect to find between the classification of jobs in one agency and another without the Commission's oversight? Federal, state and municipal governments could not function cohesively if their internal elements were required to establish pay rates independently and to compete with one another in pay for personnel services. Such "freedom" would also deny these organizations the pay structure essential to intelligent budgetary control over governmental expenditures for personnel services.

For years the Agency has used the Civil Service classification system to analyze and record personnel requirements. This system of occupational categories and pay levels evolved over years of study and application throughout the wide range of Federal employment and is being updated continuously as basic needs change. The criteria and standards of this classification system are the very foundation of merit personnel management in the Federal service; and, much current attention is focused on assuring the integrity of the merit system. The President has personally stated his determination to keep the "Federal career service just that...a career service in which men and women can be accepted in the first place on their ability and promoted on their ability." This means that employees are not to be hired or promoted on the basis of favoritism or political considerations; but hired instead because their experience and abilities meet established needs, and promoted because their demonstrated talents suit them best to meet the particular qualifications required in higher level position vacancies.

The classification system provides the structure of status and pay levels in the Federal service. In this respect it is designed to assure employees' status and pay commensurate with the relative value of their work as determined by the application of common standards. Advancement is not viewed as an end in itself or a benefit to be dispensed by managers according to their personal feelings toward the employees concerned. Federal managers are denied the kind of license in handling public funds which they would have in handling their own money as entrepreneurs in the private sector. Managers who handle state and municipal funds or corporate funds are also denied such freedom and are required to operate within some system of standards for evaluating work for pay purposes.

State and Municipal governments generally operate under Civil Service personnel systems which are essentially similar to the competitive Federal Civil Service. Job analysis and evaluation are also the foundation of personnel management in business enterprises of any size. The classification of jobs by occupational category and relative levels of difficulty and responsibility established the basic structure for wage and salary determinations. Such a framework is essential whether these determinations are achieved through negotiations with organized

ADMINISTRATIVE - INTERNAL USE ONLY

labor or by management alone in consideration of the labor market and pay offered by competitors for like work. The position of "job analyst" is common to both the U.S. and Canadian business communities and is among those five positions in the field of personnel management which are included in the American Management Association's most recent survey of pay in professional and scientific positions. That survey report covers 701 job analyst positions in the 289 U.S. companies responding to this aspect of the survey and 48 such positions in the 24 Canadian companies responding. The following job description from the AMA Report matches the essential classification duties of this Agency's Position Management Officers.

"JOB ANALYST (Wage and Salary Analyst) - Studies and analyzes wage or salaried jobs and prepares description in standardized form; evaluates jobs using established evaluation systems, determines grades and prepares records of the validity of the evaluations; may serve on job evaluation committees; conducts compensation surveys and participates in compensation surveys conducted by other companies; develops, recommends and writes job evaluation and compensation policy and procedures; assists in administration of merit rating program, reviewing changes in wages and salaries for conformance to policy audits evaluation of jobs and application of existing job classifications to individuals."

In the Federal system managers are primarily responsible for developing employees' talents and making the best use of their skills and abilities. Federal employees, then, are entitled to that status and pay which they earn by the relative value of the duties and responsibilities which they perform. There is serious concern over evidence of misuse of this merit system. On 7 November 1974, CSC Bulletin 250-5 announced "actions to further assure the integrity of the merit system" and states:

"Position descriptions play a vital role in determining pay levels and qualification requirements, and thus in authorizing payment of public funds, in establishing sources of recruitment, in setting conditions for competition for appointment and advancement, and determining whether positions should be excepted from the competitive service. To focus appropriate attention on the importance of the statements and information incorporated in official position descriptions, a requirement for an expanded statement for certifying to the accuracy of position descriptions is being established;"



and further,

"In communicating this requirement to operating offices, agencies are requested to make clear that all other levels of supervision which propose or approve official statements of duties and responsibilities are attesting to the same effect as the new supervisory certification. The necessary communication in this regard affords an excellent opportunity for reminding all parties of their responsibilities in certifying position descriptions and for reaffirming that the function of position classification specialists in assigning a title, series, and grade to a position is not limited to classifying the position under applicable standards or procedures (in the absence of directly applicable standards), but extends to resolving substantive questions that may arise concerning the accuracy of the position description acted on."

On 18 February 1975, a local personnel news columnist reported that the Civil Service Commission had accused the State Department of massive violations of Civil Service personnel policies. According to the article the Commission "in one of the most scathing reports the Civil Service Commission ever issued on a Federal agency" accused State of "serious management neglect" and castigated the Department for having "an alarming tendency towards partiality in selection and advancement of employees." The article stated further that the Commission accused State of misclassification of jobs and of "improprieties by State managers and supervisors in using undue influence to assure that preselected candidates are on promotion certificates." According to the article the Commission told State to submit within 60 days a merit promotion plan which meets minimum CSC requirements and to develop and submit for CSC approval proposed qualification standards for agency positions where no such published standards now exist.

The intent of the President and the Civil Service Commission is clear. Management action which subverts the classification system, whether willfully or inadvertently \* \* \* attract strong censure. \* \* \* Therefore, managers must have a clear understanding of the role of position management in the Agency's personnel system.

There is special concern for the management of executive level positions. In his letter to the Director, dated 30 January 1975, the Director, OMB reported the President's request for help in slowing the upward trend of personnel costs and directed "special attention to use

ADMINISTRATIVE - INTERNAL USE ONLY

every opportunity for eliminating or downgrading vacant positions particularly those at the GS-16, GS-17 and GS-18 levels." How does position management bear on this problem and how are "personnel ceiling allocations," "upper level ceiling controls," "average grade controls," and "supergrade allocations" involved?

Within this Agency:

a. The "personnel ceiling" establishes;

1. the maximum number of position requirements which may be established, and
2. the maximum number of full-time permanent employees that may be on duty at the end of the fiscal year.

b. The position management system operates to analyze and classify each position requirement by occupation and by grade level according to standard criteria. This process is directed by professionals who are specialists in the organization and evaluation of work. They have no personal or fraternal interest in the outcome of the effort. Their goal is a professional finding based upon the objective analysis of all information pertinent to the structure of work arrangements and the evaluation of the duties and responsibilities of each position. This isolation of the classification process from the political and emotional involvement of the concerned managers is essential to the integrity of the system. The Civil Service Commission is the source of the position classification authority exercised by Federal agencies in the competitive service, and it monitors their performance continuously. The fact that this Agency is exempt from such external oversight demands extra care by top management officials to assure the integrity of the system internally.

1. In terms of the OMB request concerning supergrade positions, this classification action might be influenced to some extent by the effect of an "upper level ceiling." This control restricts the number of positions which may be established in grades GS-14 and above and could, therefore, limit the number of positions to be classified at the supergrade range. Likely, however, those positions which actually warrant supergrades would be so classified; and, any reduction necessary within the upper level ceiling would be taken among positions at grades GS-14 and GS-15.

2. The classification of positions at the supergrade level might also be influenced by an "average grade control" requiring special management approval if the average grade of classified positions exceeds a pre-established level. Again, it is unlikely that this restriction would be allowed to deny supergrades to positions which merit classification at that level.

3. Since the Agency's "supergrade allocation" serves only to control the number of employees in that grade range, it would not influence the proper analysis and classification of positions at supergrade levels.

\*\*\*\*\*

C

(5)

GENERAL COMMENTS ON CLASSIFICATION AND POSITION  
MANAGEMENT POLICIES AND PRACTICES IN THE AGENCY AND  
CSC TRENDS IN THESE AREAS

I. CLASSIFICATION AUTHORITY

The Classification Act of 1949 specifically exempted CIA from provisions of the Act. Prior to passage of the Act in October 1949, the Civil Service Commission ruled that by terms of the CIA Act of 1949, the Agency was not required to follow the Classification Act, and that the Commission was not required to enforce the Act within CIA. In reply to the CSC's ruling the then DCI, Admiral Hillenkoetter, stated that, "You may be assured that in our internal personnel administration we will be governed by the basic philosophy and practices of the Classification Act of 1949, the CSC allocation standards, the pay schedules, the within grade salary advancement plans, and the pay rules of the Act as they may be amended from time to time, in substantially the same manner as provided for other Agencies." This statement of policy has applied with few exceptions through the life of CIA.

ADMINISTRATIVE - INTERNAL USE ONLY

## II. AGENCY CLASSIFICATION POLICY

STATINTL

The underlying policy and objective of the Agency position evaluation program is "substantially equal pay for equal work." To facilitate the accomplishment of this objective the Agency continues to follow the concepts and principles of the Classification Act of 1949, with modifications as necessary to meet unique situations. Agency policy as stated in Personnel Regulation  specifies: "In setting up occupational categories and pay levels for Agency positions, it is Agency policy to follow the concepts and principles of the Classification Act of 1949, as amended, as a means for establishing effective internal position alignment, maintaining reasonable comparability with other Government Agencies, and simplify adjustments to conform to Federal salary changes and employment benefits." The only significant difference between this statement of policy and that expressed by Admiral Hillenkoetter in 1949 is elimination of the reference to Civil Service position standards in the evaluation of positions.

### III. AGENCY CLASSIFICATION DEVELOPMENTS AND PRACTICES

In the early years of the Agency provisions of the Classification Act of 1949 were closely followed in the administration of the classification program. Rapid expansion of Agency programs and activities in the 50's uncovered many problem areas that could be traced to strict adherence to the policies and practices of the Classification Act, for it soon became obvious that many operational and other situations unique to the Agency required some different approaches to classification. As a result, a number of modifications were made to the Agency classification program. The most significant were:

a. Development of Agency position classification standards and grade levels, and

b. The development of the flexible Table of Organization.

These and other changes gave the Agency greater freedom in the establishment of grade levels for positions and provided Agency managers with more authority in utilization of their personnel and positions.

With this development of its own position standards program, the Agency moved further away from the classic and CSC position evaluation methods and techniques. Because of its history, the Agency has experimented with virtually every known method and technique of position evaluation and has developed standards to facilitate the application of these various systems. There are, or have been at any given time, five or six systems, or combinations thereof, used by PMCD in position

ADMINISTRATIVE - INTERNAL USE ONLY

evaluation and while variety "may be the spice of life" in this case the multiplicity of systems has tended to confuse operating officials as to how positions are really evaluated. Further, in some cases, (i.e., the evaluation of Finance Officer positions which is based on dollar volumes of transactions, numbers of accounts, projects and or personnel in a given organization) the techniques used tend to contradict certain regulatory policy statements such as "positions will not be evaluated on the basis of numbers or volume of work." That deficiency in their standards program and certain of their evaluation methods is recognized by PMCD and they have been working to correct such deficiencies through the development of a more uniform classification system that would be understandable to and accepted by operating officials. One such action taken along these lines is PMCD's current movement toward the new factor-ranking/benchmark system being developed by the Civil Service Commission. However, progress may be slower than desired because of the shortage of personnel in PMCD and the heavy workload which results from the cyclic survey program. Not only must this situation be corrected, but attention must also be given to greater participation by the operators and line managers in establishing truly meaningful position standards, because only through such participation can operators and managers understand and accept their share of responsibility for position as well as personnel management.

Perhaps the most significant change resulting in the Agency's departure from strict adherence to CSC policy was the establishment of grade levels more consistent with going rates in private industry, for it had long been recognized that it is necessary to pay employees salaries

~~ADMINISTRATIVE - INTERNAL USE ONLY~~



at least equal to what they could earn in the private sector if the Agency expected to recruit and retain the caliber of employees needed. As a result of this philosophy, PMCD turned more to private industry for guidance and comparison in the establishment of pay levels and restricted comparisons inside government to exempt agencies such as State, Energy Resource and Development Agency (ERDA, formerly AEC) and NSA whose personnel and skills requirements, and possibly to a lesser degree operations, are more closely akin to the Agency's modus operandi in many areas. As a result of this practice, which also takes into account those requirements and or work characteristics unique to its mission, the Agency now has a grade structure equal to, or better than, any other agency in government and has been able to attract and hold the talents it needs.

#### IV. CSC CLASSIFICATION POLICIES AND TRENDS

The trend under the Civil Service system has changed very little over the past 50 years. A preponderance of the classification methods and techniques now used under the Civil Service system were established under the Classification Act of 1923. A number of studies had been conducted in recent years to determine the desirability and feasibility of updating the system, and as a result of the most recent of these studies, the CSC is converting to the factor-ranking/benchmark system "evaluation system." This system is perhaps the easiest to understand and apply (it also had wide application in industry), and CSC is moving rapidly in the development of benchmark position descriptions and qualification standards. It should be noted, however, that significant changes in grade levels or grade patterns are not expected under the system, rather modification will be limited pretty much to evaluation methods and techniques. This proposal and the early tests are good indicators, appears to be well received and should go far in eliminating some of the mystic regarding the classification of positions. Agency implementation, tailored to those characteristics unique or otherwise distinctive to Agency operations, will do much to provide a framework for the necessary operator/manager mutual participation in establishing job standards.

ADMINISTRATIVE - INTERNAL USE ONLY

# V. POSITION MANAGEMENT IN THE AGENCY

In the early life of the Agency, very little effort was directed toward position management activities. For the most part, CSC policies regarding the establishment and utilization of positions were followed and in effect this meant that position management was pretty much limited to the requirement of establishing an individual position for each employee. Operating officials and management personnel in individual Agency components were, for the most part, allowed to determine the numbers and types of positions to be established and to develop organizational structures. This, in general, was the policy followed in the Agency up to 1957. In that year the Agency developed and implemented a new manpower control system and a significant part of that system was the flexible Table of Organization. Under this system, managers were given authority to assign and reassign personnel to determine the numbers of personnel needed and to adjust organizational ceilings with prior approval of PMCD. The system, still in operation, has proved successful, particularly in light of the Agency's high volume of personnel rotation which would encounter considerable difficulty under normal CSC systems.

In 1961 the Agency Management Staff was abolished and PMCD assumed responsibility for the "full scope" of position management activities. From 1961 to the present PMCD has become more and more active in these areas, but the force and effect of PMCD's determinations and recommendations in the present-day real world seem advisory at best, and final authority for position management would appear to rest with the operator.

ADMINISTRATIVE - INTERNAL USE ONLY

Further, the splintering of "personnel management responsibilities" under the regulations, and the even more recent assignment of "manpower utilization review" to the Audit Staff under [REDACTED], have tended to confuse or obscure "where the buck really stops" in the area of personnel/position management.

## VI. CSC DEVELOPMENTS AND TRENDS

Since the middle 50's the CSC has become very active in the field of position management. It has implemented a number of changes such as requiring an annual review of each position to determine its need, requiring the position classification office of individual agencies to review organizational structure for proper worker/supervisory ratios, proper span of control, proper clerical/professional ratios, etc. Indeed, the CSC now considers position management to be equally important as position evaluation and it is also CSC's opinion that position management and classification personnel should play a very active role in the field of manpower resource management and should be given considerable authority in implementing their recommendations. That this philosophy should be understood and accepted in the Agency is a sine qua non to effective management of manpower resources.

D

## CLASSIFICATION AUTHORITY

## CENTRALIZATION VERSUS DECENTRALIZATION

Background and History

The question regarding the placement of authority for position classification in the Federal Government dates back to the nineteenth century. Up until the late eighteenth hundreds there was no position classification program in the Federal Government. Complete and final authority for establishing pay rates rested with the supervisor or manager. He was given a certain amount of money each year for personnel salaries to spend as he deemed best. The results of this system was complete chaos - low morale, petty officer politics, selling of jobs, salary kickbacks, inequities in pay, favoritism, etc. In the 1880's, Congress enacted a law that provided for a regulatory group to oversee Federal Civil Servants. Among the accomplishments of this group was the establishment of guidelines for setting pay rates. However, since the manager retained responsibility for administering this function without higher regulatory controls, conditions improved only slightly under this system. After considerable study, Congress enacted the Classification Act of 1923 which centralized classification authority, provided for the establishment of a uniform pay plan and evaluation standard, and assigned the Civil Service Commission responsibility for enforcing the Act. From that time to the present all agencies and departments subject to the Classification Act have operated under a centralized classification program.

Practices To-Date in CIA

CIA has operated under the centralized system throughout its life. Though the question of decentralization has come up a number of times, it was always rejected on the grounds that it would create more problems than it would solve. Some informal attempts have been made by P.M.C.D. to get operators more involved in the evaluation process without offering them complete delegation of authority. In general, very little progress has been made in this direction. The reasons for this appear to be lack of clearly defined areas of responsibility, the absence of a uniform, easy to understand evaluation system, and the absence of support or push from "management."

ADMINISTRATIVE - INTERNAL USE ONLY



Practices in Industry

Most major private companies in the U.S. have operating position classification programs. The programs normally include position evaluation systems, position standards, pay rate schedules, etc. The objective in industry is basically the same as that in government - equal pay for equal work. Industry is convinced that this can only be achieved through an equitable system of job evaluation. It is also believed that in order for a system to be equitable it must be applied uniformly through the organization and this can only be assured through a strong centralized system. In many companies this responsibility is retained at the top management level. An extract from a PMCD paper on salary administration in industry is attached. (Attachment A)

### Practices in Exempt Agencies

As noted earlier, some agencies and departments of government that are exempt from the Classification Act of 1949 have experimented with decentralization of classification authority. Among them are the Department of State and the Energy Research and Development Administrations (ERDA, formerly AEC). In the early 1960's the Department of State classification authority for Foreign Service positions was completely decentralized to the Bureau level. The result: A complete loss of job equality and inflation of grade structure to a point where there was hardly any relationship between grade levels and skills and responsibilities of positions. As a result of this situation, the Department of State was forced some two or three years ago to take action to once again centralize the authority to classification in the Office of Personnel. A difficult task under any circumstances, State's job was even greater because in the years of "decentralization" it had lost almost all of its classification personnel to other agencies. (A fuller report on State and its position classification/management operation today is attached, Attachment B.)

The ERDA program of decentralization was relatively successful. The reason for the success can be traced to the development of a good evaluation system, interest on the part of managers in running a good program, and the responsibility placed on management for conforming to budget limitation, grade controls, etc., imposed by the Office of Management and Budgeting. However, it must also be stressed that under law ERDA can not pay any more for any position than would be payable

ADMINISTRATIVE - INTERNAL USE ONLY

under Civil Service Commission rules, and while ERDA has developed certain "benchmarks" of its own, they are applied, in effect, against basic CSC standards. (A more complete rundown on ERDA's modus operandi today is attached, Attachment C.)

NSA, another exempt agency, has operated under a centralized program which is outlined in Attachment D. Two points might be noted.

1. In the NSA system, operating officials participate fully in the development of position standards but the final authority rests with the Director of Personnel subject to appeal - though that eventuality has never occurred - to the Director of NSA.

2. NSA operates under a "maintenance" rather than a cyclic survey program which they have indicated saves them countless hours and a considerable amount of "unproductive" paperwork.

Although Navy is not an exempt agency its recent experience on decentralization is of interest and pertinent to this discussion. Some time ago the Navy took steps to decentralize, to Navy and Marine Corps elements, the classification of civilian positions at the GS-15 level. However, on 1 July 1975 under SECNAC Instruction 12510.6, (Attachment E) the Undersecretary of the Navy withdrew this delegation of authority. In doing so he commented that despite directives designed to control and reduce the number of GS-13 through GS-15 level positions with the Department, the number of high graded positions had continued to increase and for this he could see no justification, particularly in an era when the overall General Schedule census had declined. He also said "inasmuch as the intended reductions of high level positions must, in part, be based on the classification of positions, the delegated authority \* \* \* is

being amended and added emphasis placed upon position classification as an essential personnel program." And, finally, he commented that "while it is recognized that this regrettably rescinds a small part of the authority now exercised by Commanding Officers, it is considered necessary to centralize control to best combat this problem." The centralization indicated was to the Director of Civilian Manpower Management.

Some form of centralized control of job evaluation is absolutely essential in order to achieve desired objectives. There must be a single point or authority for developing evaluation standards and monitoring the application of standards in the evaluation of positions. With all recommendations flowing through one office, proposed changes can be reviewed for consistency of internal alignment before action is taken. There also has to be a centralized point for overall policy development, implementation of pay rate change, and serving as a clearing house for matters relating to control of ceilings, pay, personnel assignments, tables of organization, etc. The strongest argument for centralization is equal treatment and uniformity of action. From an overall personnel management viewpoint there are no significant disadvantages to a centralized job evaluation program.

ADMINISTRATIVE - INTERNAL USE ONLY

Advantages and Disadvantages of Decentralization Authority

Decentralization of classification authority to the "operating level" does provide some advantages over centralization. Perhaps the strongest argument for decentralization centers around the operators knowledge of the jobs to be evaluated and the speed with which action can be accomplished. Presumably no single individual has better understanding of the job and the importance of that job to the overall scheme of operations than the supervisor or manager. Because of this knowledge he should be able to make job evaluations without the need for extensive audits or reviews, and he should also have an advantage in making internal comparisons with other positions in his organization.

On the other hand, the greater disadvantages to decentralization are the lack of uniformity in applying the evaluation standards (this could and has often resulted in unequal pay for equal work) and the tendency on the part of many supervisors or managers to consider the qualification for and "rewards" of employees rather than the duties to be performed. Indeed, it was these very problems which led to the Classification Act of 1923 and the establishment of a centralized classification system; and there is no great wealth of evidence to show that current day managers might be any different from their predecessors if given a "free" hand. Further, in a decentralized system there is great danger that the more unique, specialized, or "less populous" jobs like Registry, ADP positions, etc. will "get lost."

ADMINISTRATIVE - INTERNAL USE ONLY

For the Future to Decentralize or Not in the Agency

There are, as already has been noted, arguments both for and against decentralization of the classification authority. Perhaps the strongest arguments can be made against decentralization in government and how, and certainly it has been well proven both in private industry and in government that true uniformity and equality in job evaluation can only be achieved through a centralized program. Not only does the weight of evidence support centralization but experience indicates that when decentralization has been effected successfully it has been limited, its been done against a background of firm standards and it has been made subject to some kind of central control and monitoring. All this does not mean that no decentralization can or should be made. As a matter of fact, a modified centralization in the Agency is not only possible but might very well be effective given the proper frame of reference in which it would operate. Such a program might also do much to provide for a more responsive and responsible position management system.

However, if there is to be a decentralization of classification authority, it must be done only at the basic ground rules, including a clear cut definition of the "level of decentralization, have been established and are fully understood by all concerned only after the proper base - standards for decentralization have been created and only with recognition by the operators that "liberty is not license" and

ADMINISTRATIVE - INTERNAL USE ONLY

any delegation of authority must continue to be the subject of some central control and post-audit to insure that the equities adherent in any classification system are maintained and that any exercise of delegated authority is consistent with and conducive to the proper management of manpower resources. SUNZ

In the light of these caveats, it is apparent that at least the following actions must precede any significant decentralization of classification authority:

- a. The development of an uniform job evaluation system.
- b. The development of meaningful, mutually (PMCD/operator) agreed upon job evaluation standards.
- c. The development of job evaluation method and technique training modules (perhaps as part of on-going managerial courses) for the benefit of line managers and as an assist to component personnel offices in their support to such managers.
- d. Clear cut definition of the areas and degrees of decentralization and in this area there is general agreement among classifiers and operators alike that in the Agency such decentralization should not go below the Directorate level.
- e. The establishment of policies and procedures for the control and monitoring of a decentralized program.
- f. The establishment of a necessary authority for the existence and use of the "veto" when audit or other reviews of the decentralized program evidences an abuse of any delegated decentralization of classification authority.

In answer to a question that has been raised concerning the impact of personnel requirements on a system of decentralization, it should be

APPROPRIATE - INTERNAL USE ONLY



noted that in the frame of reference outlined above there would really be no requirements for additional personnel since it would be assumed that the operating element to which classification authority had been delegated could provide through a combination of operator/component personnel officers the necessary manpower to undertake the classification tasks involved.

ADMINISTRATIVE - INTERNAL USE ONLY

Extract from PMCD Paper

10 May 1973

SALARY ADMINISTRATION IN PRIVATE INDUSTRY  
AND OTHER ORGANIZATIONS

The American Management Association annually surveys the pay and compensation systems used in private industry in order to provide reliable guides for the establishment of competitive and equitable compensation for administrative, technical, professional, and management positions which are not the subject of union negotiation. This has been done for the last 20 years.

For 1972, the 19th year of the survey, 661 U.S. companies participated by submitting data on compensation trends, salary practices and policies, and pay rates for 50 to 60 different types of jobs, including several hundred individual job titles. The companies represented include most of the large companies of the United States in the fields of marketing, financial and legal, industrial and public relations, and engineering and research. For 1973, the 20th year of the survey, 712 United States companies participated in the survey.

Since the reports were begun, some 20 years ago, the list of companies subscribing to the reports has grown into the thousands. Included are most of the major companies of the United States. A major segment of American industry utilizes the results of the AMA surveys in establishing and changing pay rates.

ADMINISTRATIVE - INTERNAL USE ONLY

The AMA reports provide standards for jobs which define the nature of work and the status and scope of responsibility so that individual companies can identify levels which apply to them. The majority of companies surveyed use the AMA reports as guides in establishing competitive and equitable rates for their own positions.

Most of the companies represented in the surveys use formal evaluation plans for positions in administrative, technical, and most professional fields. These plans are one or a combination of the following:

- Ranking
- Grading
- Point Evaluation
- Factor Comparison
- Guide Charts, Profiles
- Guidelines

The ranking, point evaluation, and factor comparison systems are the most commonly used. These are similar to systems we use in this Agency for most positions.

Most of the companies surveyed and most major U.S. companies utilize a centralized control of position evaluation and salary administration. Most companies apply a uniform system throughout their companies. There was no indication of substantial variance between actual salaries paid comparable positions in different activities. Furthermore, most companies reported the same salary ranges for positions of the same difficulty and responsibility level irrespective of the nature of the activity.

The conclusion, borne out by numerous discussions and contacts with industry officials, is that level of skill and responsibility is the most important single factor in the market value of positions.

ADMINISTRATIVE - INTERNAL USE ONLY

While the effect on morale, employee turnover, and work productivity of failure to apply an equitable system of job evaluation has not been studied throughout industry in any depth, it is clear that nearly all companies have reached the conclusion that they must be equitable and that this objective cannot be achieved without an objective centralized control method. It cannot be achieved by permitting heads of company components to establish whatever pay levels they wish, regardless of what may be the going rates in the activity.

The results of such absence of control are obvious. If a supervisor established his pay rates lower than another component, his employees would become dissatisfied and eager to leave. On the other hand, if he established rates higher than another component he would be criticized by his fellow component heads and there would be pressure to raise rates elsewhere in the company to maintain equality. It is not possible to keep a diversity of pay rates for equivalent jobs a secret within a component. Eventually and usually soon the news will get out.

Unfortunately, a supervisor often thinks in terms of the qualifications of his employees and he wishes to pay more for the exceptionally well-qualified. Employees think in terms of the job they do. They believe that they should be in the same pay grade as another employee doing equivalent work.

The companies represented in the AMA surveys are not identified and the information submitted by individual companies is confidential. However, specific information on evaluation plans and policies of any individual company can usually be secured by direct request of the company if this is desired.

ADMINISTRATIVE - INTERNAL USE ONLY

28 JUL 1975

Department of State  
Position Management and Compensation Policies and Practices

Per Discussion with James J. Pullig, Chief Operations Branch,  
Position and Pay Management Division, 24 July 1975  
Per Discussion with John Sinozich, Chief Position and Pay  
Management Division, 22 July 1975

Organization:

The organization under which the responsibilities are exercised  
is as follows:

1. Deputy Under Secretary for Management
2. Director General of the Foreign Service
3. Deputy Director General and Director of Personnel
4. Deputy Director of Personnel for Policy, Classification  
and Evaluation
5. Chief Position and Pay Management Division

Responsibilities:

The responsibilities of the Position and Pay Management Division  
include service, advisory, action and control functions.

The Division provides service and advisory functions in establishing  
organizations and determining relationships, it provides action in  
establishing positions and making necessary changes.

The control functions are exercised in determining the appropriate  
class and grade levels within the Department of State. These responsi-  
bilities are applied to all positions as follows:

1. Supergrade Positions - There are relatively few supergrade  
positions within the Department. A total of 29 were established at the  
close of 1974 and no changes have subsequently been made. Changes in  
supergrade positions are recommended by the Position and Pay Management  
Division subject to approval by the Secretary of State and submission  
to the Civil Service Commission for approval.

ADMINISTRATIVE - INTERNAL USE ONLY

2. General Schedule Positions - There are approximately 4,000 which except for SG's are finally classified by the Position and Pay Management Division subject to postaudit review and validation by the Civil Service Commission.

3. Wage Board Positions - Of these there are less than 200 in the Department. The positions are classified and the system administered by the Division subject to control by the CSC, and the Wage Boards.

4. Foreign Service Positions - These constitute the bulk of State Department positions. Since the recentralization of authority in February 1971, the determination of grades and class levels for these positions has been made by the Position and Pay Management Division.

#### Decision Making Authority:

The decision making authority is with the Position Management and Pay Division. There is no level of technical review above this organization. Actions, however, are subject to appeal to higher levels but normally this applies only to Foreign Service positions. Any changes made above the level of this Division are for political or policy reasons. Possibly one case in 300 may go as high as the Deputy Under Secretary for Management.

Once decisions are made on appropriate grades, action may be taken without concurrence of operating officials subject to any subsequent appeal that the operating component wishes to take to the Director General or higher organizational levels.

#### Classification Review:

With regard to General Schedule positions the Civil Service Commission makes regular classification review and postaudit of grade levels on a periodic basis. The Commission may make changes without concurrence or agreement by the Department.

The Civil Service Commission also exercises postaudit review of Foreign Service classification under its authority to maintain linkage points within the Foreign Service schedule with corresponding General Schedule levels. The purpose of this review is to assure that the linkage points are proper and that pay changes will thereafter be correct.

In the recent review of all Foreign Service positions the Commission expressed concern that secretarial and clerical levels in the Foreign Service Staff schedule were excessively high in comparison to General Schedule levels. They have ordered corrective action i.e., the downgrading of secretarial positions and they have indicated that if this is not done it may be necessary to lower the linkage points for FSS positions which would automatically lower the pay levels of these positions.

ADMINISTRATIVE - 2 INTERNAL USE ONLY

### Controls on Positions:

Average grade is reported in the budget but applies only to General Schedule positions. It does not indicate the true average pay level within the Department. Current GS Average Grade is 7.94. It has not changed in several years.

Supergrade controls are exercised by the Civil Service Commission, however, since the Department has only 29 positions which are relatively unchanging, this control has no significant effect.

There is no significant upper level or other control over higher level GS positions other than SG.

With regard to Foreign Service upper level positions there is no external control and with regard to levels of employees there is relatively little internal control. While the total positions at FS01 and FS02 were reduced approximately 23% in 1971 this action did not result in a corresponding effect on levels of Foreign Service employees.

The policy of the Department of State is intended to assure a relationship between the total positions at the higher class levels and the total employees. However, determinations are made at policy levels in the Department of State as to how many promotions from FS02 to FS01 and from FS03 to FS02 and lower levels will be made each year. The selection out process which is intended to prevent an increasing number of employees at the higher levels, in combination with voluntary retirements, has helped to avoid an increase in the number of employees at high class levels, but it has not resulted in significant reductions since 1970. The reduction of FS01's has been approximately 3% and the reductions of FS02's has been approximately 12% which is substantially less than the 23% reduction in positions made in 1971. Substantial use is made of personal rank assignment above the class level of positions.

Upon review of all employees by the selection and promotion boards determinations are made at higher policy levels as to the number of employees on each promotion list who will be promoted. FS0 promotion lists must go to the President and Senate for approval. FSR and FSS promotions are approved internally by the Director General of the Foreign Service.

### Foreign Service Local Positions:

Control is exercised by the Division over pay management for all local employees in the Department of State, comprising nearly 11,000. This control consists of determining that appropriate rules are followed on employee benefits, retirement systems, insurance, social security, etc. It also involves approval of pay schedules. On occasion personnel from the Division may be used on pay surveys in foreign areas but as a general practice now surveys are made by personnel under contract to the Department for this purpose. In some cases these may be former employees of the Division.

Position Classification System:

1. Civil Service Positions

For Civil Service positions (approximately 4,000) Civil Service Commission standards are utilized. This system is also applied to positions established by the Department which are comparable to General Schedule grades but are not under the direct control of the Civil Service Commission.

2. Foreign Service Positions

For Foreign Service positions the Division establishes internal standards which are similar to Commission standards and are concerned with defining significant differences between positions of different levels. They are in the nature of standard job descriptions or grade level criteria.

3. Chief of Mission

For Chiefs of Mission at the various posts a criteria has been established based on various factors including size, political and economical importance to the U.S. government, relationships with other countries, etc. In many cases, however, the classification of positions is determined by the Secretary of State for political considerations. Missions may be classified between CM1 which is equivalent to an EP-2 position and CM4 which is equivalent to an EP-5 position. There is a current total of 138 Chief of Mission positions. However, there is no limit on the total and these are subject to change whenever the Secretary of State considers it desirable.

The post classification has only an indirect effect on component levels within the post. Normally the levels of these positions are established by a criteria based on the significance of the functions.

Participation by Managers and Operating Officials:

There is no participation by managers and operating officials in the determination of grades except to the extent that they may appeal to higher levels within the Department and such higher levels may reverse the Position and Pay Management Division for policy or political reasons. Managers and operating officials do not get involved in the development of position standards or guides.

Surveys:

The Division has no current survey program since it is at present inadequately staffed.

APPROPRIATE 4 INTERNAL USE ONLY



### Position Descriptions:

Operating components prepare position descriptions for new positions and for any proposed changes in positions. Such positions are subsequently audited by the Division to make grade determinations.

### Position Management:

The staff is regularly involved in position management, review of organizations for effectiveness and efficiency, manpower utilization, etc. Misassignment of employees made in General Schedule positions for the purpose of promoting employees are treated as fraudulent and actions are corrected as soon as detected. However, this does not apply in Foreign Service positions since the employee level is not generally determined by the position.

### Classifier Ratio:

The current ratio of classifiers to positions is approximately 1 to 1,500 in comparison to 1 to 500 generally applied throughout the government. This is considered inadequate for the program responsibility.

### General Comments:

Officials see no advantage to the Benchmark-Factor analysis system of classification being developed by the Civil Service Commission. However, the system will be applied for all General Schedule positions within the Department as it is developed.

The program is completely centralized and the present intention is to continue the existing system.

There is no allocation or control of numbers of supergrade level positions which are primarily FSO's and FSR's other than that exercised by the Civil Service Commission over the 29 General Schedule supergrades.

Normally appeals in the Department would be to the Director General of the Foreign Service who exercises functions equivalent to those of a Director of Personnel elsewhere. Final decision authority for appeals would normally rest with him.

### Career System:

While interest has been expressed in the Department over a period of years in converting all General Schedule employees to a Foreign Service

ADMINISTRATIVE - INTERNAL USE ONLY

system little has been accomplished since the advantages of the Foreign Service system are not apparent to many employees. Most professional employees are encouraged to convert to Foreign Service Reserve Unlimited appointments which bring them under the Foreign Service retirement system with annuity computation at 2% or slightly better than Civil Service but with the requirement that such employees retire at age 60. The Foreign Service Unlimited appointment system was established several years ago to increase the possible time limit for a Foreign Service appointment beyond five years. Such employees are assured of not being selected out for a period of ten years.

STATINTL



Chief

Position Management & Compensation Division

ADDENDUM

I would record these additional impressions that I received from our meeting with Mr. Pullig: The Headings are taken from Fred's report:

Responsibilities: State's PMCD function is mainly concerned with position classification. The present emphasis is on the control aspects of the basic responsibility although ordinarily and by preference, the service is considered advisory to line management, except for GS positions.

Controls on Positions: Mr. Pullig was very candid in stating that, when it comes to FSO promotions, the numbers and levels of FSO's to be promoted are determined in secret by a Performance Evaluation Board which is supposed to base some of its reasoning on available slots. Just what process they use remains a mystery to the PPMD people, as does the relationship between the grade of the incumbent and the grade of the position, except that the FSO who is selected for promotion does not have to wait for a slot. In time things get straightened out, that is, grade of incumbent and grade of position are reconciled, either by transfer or what we would call PRA.

Position Management: My impression from Mr. Pullig's remarks was that they do very little in the field of position management as the term might be used in the Agency. He also mentioned that PPMD had been severely criticized by the Civil Service Commission for failure to get involved in manpower utilization studies.

Classifier Ratio: As discussed, I heard Mr. Pullig say that they had never recovered from the decentralization policy in terms of getting their 22 positions back and now had only five people in his Branch or one to about 2500 positions. In any event, the ratio is not important when the large number of FSO positions, over which they have little control, is considered.

STATINTL



ADMINISTRATIVE 6 INTERNAL USE ONLY

Position Classification Policies and Practices in the Energy  
Research and Development Administration (ERDC)

The Energy Research and Development Administration like CIA is exempt from the Classification Act of 1949. It has developed and operates its own classification program without any outside post audit or review. Under this program there is a complete delegation of classification authority to operators. There is no element in their Office of Personnel (OP) that is responsible for position management and classification such as that found in CIA. The role of the Office of Personnel is limited to general administrative support and review of grade changes with no authority to reverse or overrule operating officials.

Under their system position standards are developed for each occupational field found in the organization. Normally operating offices having positions in a given occupational field prepares initial drafts of position standards. The Office of Personnel reviews, consolidates and prepares a composite standard based on individual standards submitted by operators. In the performance of these functions O/Personnel may make modifications in duties covered at the various levels and the grade structure proposed. If the operator does not agree with changes made he can overrule O/P. The Office of Personnel may appeal such decisions if it so desires. However, the appeal must be submitted to the directorate level of the component that non-concurred with the changes made by O/P (normally this official sides with the operating official). The Office of Personnel may then appeal to the Administrator of ERDA (this rarely ever happens).

ADMINISTRATIVE - INTERNAL USE ONLY

ADMINISTRATIVE - INTERNAL USE ONLY  
The classification of positions follow basically the same procedure as that for standards development. The operator first evaluates the positions and submits his findings to O/P for implementation. If O/P does not concur an O/P representative attempts to persuade the operator to change his evaluation. If an agreement is not reached O/P has two choices - accept the operating officials evaluation or go through the appeal procedure. As in the case of standards this normally results in a decision in favor of the operating official. In view of this, few, if any, appeals are submitted by O/P.

ERDA uses its own position classification system. It is a combination Benchmark/Point Rating system and is very similar to the system being developed by the Civil Service Commission. Operating officials participate in the development and maintenance of the system and are trained in classification methods and techniques used. Operating officials are responsible for the conduct of all classification survey, preparation and maintenance of position descriptions, and classifying positions.

There are only two or three Position Classifiers in ERDA. These individuals are concerned with the development and maintenance of position standards, development of proposed policy pertaining to position classification, etc. Personnel Generalist are used in the performance of operating classification functions delegated to the Office of Personnel. These personnel are trained in position classification as well as personnel utilization activities. Their activities are limited to the initial development of standards and review of grade determinations of operators. As pointed out above these individuals have little or no authority in the enforcement of position classification rules, regulations and standards. Their authority in this respect is limited to the individuals ability to persuade an operator to accept O/P's recommendation or proposed course of action.

ADMINISTRATIVE - INTERNAL USE ONLY

Supergrade and SPS type positions are allocated by the Administrator.  
Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Operating officials prepare the initial request and justification for approval of such positions. These requests are submitted to O/P for further evaluation and recommendations for the Administrator.

Position Classification in ERDA is not subject to any external review or post audit. At this time there is no internal review or post audit of positions other than that described above. Plans are being formulated that will require periodic manpower management and utilization surveys of all field activities (currently 13 such activities). Such surveys will cover position classification.

ERDA is now considering the establishment of a Manpower Resources Board that will be charged with overall policy development and management activities relating to manpower. It is anticipated that this Board will take over responsibilities for supergrade and SPS types of positions now exercised by the Administrator.

The Office of Management and Budgeting establishes supergrades ceilings and average grade levels for ERDA. The Agency is also required to certify that each position has been reviewed within the past 12 months and that all positions are properly classified and required for the accomplishment of Agency mission. This review is performed by operating officials.

The Civil Service Commission is now trying to take over responsibility for the classification and assignment of personnel to supergrade positions. There are also indications that the Commission would like to get involved in all position classification activities.

APPROVED FOR RELEASE - INTERNAL USE ONLY

The National Security Agency (NSA) is exempt from the Classification Act of 1949. However, it also has elected to follow the Class Act with some modifications. Classification actions through grade GS-15 are subject to post audit by DoD and positions 16 and above subject to complete classification control. DoD also establishes ceilings for super-grade positions and average grade levels for GS positions.

NSA has a centralized classification program under the direction of the Personnel Director. Responsibility for the program is vested in two branches -- Operating Classification Branch and Classification Standards Branch. The Standards Branch is concerned with the development of standards only. The Operating Classification Branch is concerned with day-to-day classification matters only. Responsibility for super-grade classification matters is assigned to one person who is under the direction of the Technical Personnel Division, the next echelon above the two aforementioned branches.

NSA develops its own position classification standards. Operating officials participate with standards technicians in the development of standards, however, final authority rest with the Director of Personnel. Operators have the right to appeal to the Director of NSA if they do not agree with a standard, but this has never happened.

Classification authority in NSA is delegated to the Chief of Operating Classification Branch through the Director, NSA, and the Director of Personnel. Either one of these officials can overrule the Chief, Operating Classification Branch.

ADMINISTRATIVE - INTERNAL USE ONLY

NSA does not have a cyclic survey program. It operates under a maintenance program, thus looking at positions as the need arises. Position Classifiers do not get involved in any management type reviews or surveys. However, they do work very close with operating officials on all aspects of organization design, manpower utilization, etc., that has a bearing on classification actions. It is the opinion of classification officials that this type of service is far more valuable than cyclic survey. It is also their opinion that cyclic surveys involve a very substantial amount of work and paper production that is of little or no value from a position classification and personnel management standpoint.

NSA has established a formal appeal procedure. Either the incumbent or the supervisor may appeal the classification of a position. The normal channel is the Director of Personnel to the Director of NSA. If a person so desires he or she may appeal to DoD. Veterans may also appeal to the Civil Service Commission. The exercising of appeal rights in NSA are very unusual and extremely rare if beyond the Agency level.

Classification officials of NSA are very much interested in the new system now being developed by the Civil Service Commission. It is their belief that a considerable savings in time and paper work can be realized through utilization of factor-ranking/benchmark system of position classification.



DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20350

SECNAVINST 12510.6  
OCMM 533

1 JUL 1975

SECNAV INSTRUCTION 12510.6

From: Secretary of the Navy  
To: All Navy and Marine Corps activities employing civilians

Subj: Classification of GS-15 level civilian positions within  
the Department of the Navy

Ref: (a) SECNAVINST 5310.11C of 26 Nov 1974  
(b) SECNAVINST 5322.6 of 26 Nov 1974  
(c) SECNAVINST 12510.5A of 24 Jun 1969 (NOTAL)

Encl: (1) Requirements and procedures for GS-15 level submissions

1. Purpose. To centralize classification authority for civilian positions at the GS-15 level, and to promulgate the requirements and procedures for their submission.

2. Discussion

a. References (a) and (b) revised responsibilities, procedures, and reporting requirements in order to control and reduce the number of GS-13 through GS-15 level positions within the Department of the Navy. Despite these directives, the number of high graded positions has continued to increase. In a period when the overall General Schedule census has declined, there appears to be no justification for this continuing rise in the numbers of such positions.

b. Reference (c) discusses the basic authority for the classification of positions in the Federal Government, and outlines the Department of the Navy's rationale for the simultaneous redelegation of such authority to all echelons of command. Specific in this redelegation is the authority of the Secretary of the Navy to classify civilian positions through the GS-15 level, including positions in the Excepted Service.

c. Inasmuch as the intended reductions of high level positions must, in part, be based on the classification of such positions, the delegated authority outlined in reference (c) is being amended, and added emphasis placed upon position classification as an essential personnel program.





SECNAVINST 12510.6

1 JUL 1975

3. Responsibilities. Effective 1 July 1975, authority delegated by paragraph 5a of reference (c) to classify positions at the GS-15 grade level is rescinded. In order to standardize classification of GS-15 positions and provide centralized control over the total number of positions, the Secretary of the Navy will henceforth allocate the Navy civilian positions at the GS-15 level. This authority will be exercised through the Director of Civilian Manpower Management, who retains the authority delegated to him by reference (c). While it is recognized that this regrettably rescinds a small part of the authority now exercised by Commanding Officers, it is considered necessary to centralize control to best combat this problem. The following responsibilities are assigned:

a. Director of Civilian Manpower Management (DCM). DCM is responsible for:

(1) Providing Department-wide guidance to management authorities on position management aspects of all positions submitted in accordance with the requirements of this instruction.

(2) Reviewing and approving the establishment of all proposed GS-15 level positions, reviewing and approving the redescription or amendment to all existing GS-15 level positions, and reviewing and approving the recertification of all vacant GS-15 level positions prior to refilling.

(3) Auditing positions at and proposed for the GS-15 level as required to ensure currency and accuracy of position descriptions and classifications.

Inherent in this assigned responsibility is authority to review and evaluate the title, series, and grade levels of related GS-15s and other associated positions.

b. Echelon commanders. The officer in charge at each echelon command will:

(1) Assure that all GS-15 level positions are established and maintained in accordance with the criteria outlined in reference (a) and in this instruction.

(2) Submit to the Director of Civilian Manpower Management for review, evaluation, and final classification all proposed GS-15 level positions and redescriptions of, or amendments to, any existing GS-15 level position. Further, any vacant position to be filled at the GS-15 level is to be submitted for recertification.

SECNAVINST 125106

1 JUL 1975

4. Action. Commencing on 1 July 1975:

a. Addressees are directed to submit to the Director of Civilian Manpower Management, in accordance with the format and procedures outlined in enclosure (1), the following:

- (1) All proposed requirements for GS-15 grade level allocations.
- (2) All redescrptions of, or amendments to, existing GS-15 grade level positions.
- (3) All requirements to fill vacant GS-15 level positions.

b. The Director of Civilian Manpower Management is directed to:

(1) Review and evaluate all pertinent related materials accompanying requests (e.g., manpower listings, organization charts, mission statements, etc.) for excessive organizational layering, fragmentation of responsibilities, duplication of efforts, etc., and advise addressees thereof.

(2) Review, evaluate and taken final classification action relative to proper title, series, and grade level on all positions submitted in accordance with this instruction.

(3) Provide addressees with the final action taken.

*Joseph T. McCullen, Jr.*  
JOSEPH T. MCCULLEN, JR.  
Assistant Secretary of the Navy  
(Manpower and Reserve Affairs)

Distribution:

OCMM Special List 25 (less V and 24J)  
MARCORPS L27

Copy to:

SNDI, FKM (2 copies)

Stocked:

CO, NAVPUBFORMCEN  
5801 Tabor Ave.  
Phila., PA 19120

E

PMCD POLL

Criticisms -- Observations -- Problems

In an effort to get a "real world" and "more humanistic" view of PMCD, discussions were held with a considerable number of Agency officers representing a broad spectrum of skills and levels of managerial responsibilities experience both in and across Directorate lines.

The results of these discussions were then reduced to a series of criticisms, observations and problems -- no one of which was "universal" in the sense that all those interviewed were in agreement on any particular point.

These criticisms, observations and problems were then discussed with a fairly complete and certainly representative sampling of officers in the Office of Personnel in or closely associated with PMCD. The purpose here was threefold:

First, to determine the extent to which PMCD saw itself and as others saw it and wherein it disagreed with its critics and why.

Second and third, from that "introspective" review to identify those areas where PMCD itself could see need for "self-improvement" and those areas where operators and/or management education or other actions might be necessary to assist in or assure a more effective PMCD operation.

Following the "PMCD discussions" a selected number of other Agency officers with whom previous discussions had been held were "reinterviewed," this time to record their views on the "specific" criticisms, observations and problems reviewed with PMCD.

The results of these "polls" are in the attached tables. In these tables the first line of recorded responses indicates the views of all 24 individuals with whom these specific items were reviewed; the second line of recorded responses represents the "views" of Office of Personnel officers interviewed (14 of the total of 24) in or closely associated with PMCD.

That there are no conclusions or recommendations in the attached tables is deliberate, it being felt that the Director of Personnel and his staff should review these "findings" and make their own judgments as to what actions they might deem necessary or appropriate.

ADMINISTRATIVE - INTERNAL USE ONLY

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

CRITICISMS

Legend: I Valid, II Invalid, III No Comment

	<u>I</u>	<u>II</u>	<u>III</u>
A. Too Bureaucratic	19 10	4 3	1 1
B. Too "Dyed-in-the Wool"	14 5	10 9	
C. Too Picaynne	15 8	9 6	
D. Disagreement Means Impasse or PMCD Loses Decision	19 11	5 3	
E. Too Long Between PMCD/Operator Agreement and Action to put Jobs on the Books	15 9	9 5	
F. Too Clinical - Can't seem to Look at the "Whole" Patient	14 6	10 8	
G. Considers "Theoretical" Structure - the Way Things "Should Be" Rather than the Real World	16 7	8 7	
H. Tends to "Tell" the Operator How to Run His Organization	9 5	15 9	
I. "Classical" (Old Line - Civil Service) Approach/Attitude	17 8	7 6	
J. Doesn't Understand or Take into Account Real Problems of Internal/External Politics, Inter-Agency Involvement/Relationships	11 3	13 11	
K. Won't Look at People Problem - Impact of People on Job	12 3	11 10	1 1
L. Lacks Experience with - or Exposure to - Job(s), Organization(s) under Review	18 11	6 3	

ADMINISTRATIVE - INTERNAL USE ONLY

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

CRITICISMS (Con't)

M.	Doesn't have Sufficient Appreciation of Relationships (i.e. COS/Ambassador) on Job Requirements/Responsibilities	15 6	9 8	
N.	Too Much Emphasis on Quantitative/Productivity Approach as Opposed to Quality of Product	10 5	12 8	2 1
O.	Doesn't Present Findings/Recommendations Fully Enough to Provide "Higher" (Possibly Appeal) Authority with Basis of Operators' Objections	14 9	9 4	1 1
P.	Tends to Act as "Critic" Rather than Advisor and to Speak to Areas not of PMCD Concern	8 7	16 7	
Q.	Spends too Much Time on Desk Audit	13 6	11 8	
R.	Spends too Little Time with Supervisor Who has Best Idea of What He Wants from Job or Incumbent	7 2	17 12	
S.	Gives Too Much Weight to the Incumbent's Performance and Too Little Weight to Job Requirements	9 4	15 10	
T.	Violates Its Own Principles that Job Grade Does Not Depend on Numbers of People/Amount of Work but on Skills - Responsibilities - Knowledge - Experience Required and Degree of Decision Making Authority Delegated	9 4	15 10	

ADMINISTRATIVE - INTERNAL USE ONLY

OBSERVATIONS

Legend: I Agree, II Disagree

	<u>I</u>	<u>II</u>
A. PMCD Concept and Function is Necessary	24 14	0 0
B. PMCD Operation is Objective	23 13	1 1
C. In These Days of Shrinking Resources Cyclical Surveys are no Longer Needed	9 4	15 9*
D. Surveys Should be on a Selective Basis, i.e.:		
(1) As Specific Need Arises	21 11	3 3
(2) On Specific Request	22 12	2 2
(3) On a "Sampling" Basis	9 6	15 8
(4) Anytime There is a Manpower Reallocation	20 11	4 3
E. PMCD "Professional" Classifiers must be		
(1) Assisted by (Assigned to Work with Classifier During Survey)	22 12	2 2
(2) Supplemented with (Operator "Types) on Rotational Tour with PMCD)	9 6	15 8
"Operator" Personnel Familiar with Jobs and Programs and Able to Interpret Operator Position/Job Oriented Jargon		
F. Necessary to Establish a Speedier Mechanism for Translative "Agreed-upon" Decision into Appropriate Personnel "Actions"	13 10	11 4
G. Better Briefing/Orientation Mechanism must be Devised to Insure that PMCD has Appropriate Grasp of Operation to be Surveyed and Operators Fully Understand the Purpose/Scope of Survey and Position Evaluation Methods to be Used	20 12	4 2

\* One had no comment. ADMINISTRATIVE - INTERNAL USE ONLY

PROBLEMS

Legend: I Significant, II Minor, III Disagree, IV No Comment

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
A. "Temporary" Grade Allocations Subject to "Later" Audit	8 2	15 9	4 3	
B. "Incumbency" Allocations	3 0	15 10	6 4	
C. Difficulty of "Classical" Position Classification/Management Functions "Competing" with Career Service/Career Development Concepts	10 5	8 3	6 6	
D. (1) Lack of	2 2	0 0	3 3	19 9
(2) Failure to Utilize	9 6	1 1	1 0	13 7
Mechanism to Break PMCD/Operator Impasse				
E. (1) Lack of	5 3	2 1	3 3	14 7
(2) Failure to Utilize	4 4	0 0	2 2	18 8
Appeal Mechanism to Higher Authority				
F. (1) Lack of	3 3	0 0	2 2	19 9
(2) Failure to Identify	17 7	0 0	3 3	4 4
(3) Failure to Utilize	4 4	0 0	1 1	19 9
"Final" Decision Making Authority				

**ADMINISTRATIVE - INTERNAL USE ONLY**



PROBLEMS (Con't)

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
G. Inability - or Reluctance - of Operators to Understand or Accept the Control Constraints Inherent in Concept of Position Management	16 10	7 4	1 0	0 0
H. Lack of Mutually (Operator/PMCD) Understood Job Standards and/or Job Evaluation Processes	20 11	4 3	0 0	0 0
I. Average Grade Constraints (i.e., Generally Upgrading Must be Accompanied by Compensating Downgrading)	5 1	12 8	7 5	0 0
J. Operator Concern for "Job Grade" Based on "Incumbent" Who Does or Will Fill Position Being Evaluated	18 12	6 2	0 0	0 0
K. Inability or Unwillingness of Classifier/Operator to Agree Upon the Mutually Valid Facets of Job/Content/People Impact in Position Evaluation and the Degree of Importance or Factor Evaluation Weight to be Accorded to Each	13 6	9 6	2 2	0 0

F

Specific Findings - Conclusions - Recommendations

Findings

PMCD at present is plagued with both a shortage of personnel and an inordinately heavy workload. The possibility of a ceiling increase is unlikely and PMCD's present responsibilities do not portend any diminution in workload.

The Standards Branch of PMCD was abolished in 1957 and essentially "responsibility" for standards fell to the operating branches. Unfortunately operating classification and surveys claimed precedence and this, coupled with personnel shortages, left little, if any time or staffing for standards development.

Position documentation and standards, essential factors in any position management/classification activity are lacking in many cases, inadequate in others, or obsolete or out of date. In many cases those standards that do exist are neither understood nor accepted by operating personnel. In addition, the variety of evaluation techniques used by PMCD have tended to "confuse" the operators and create a "classification mystique."

Conclusions

PMCD's programs must be reviewed to eliminate or modify "less effective" activities, establish tasking priorities and reallocate personnel assets on the basis of such priorities.

Recognizing the critical essentiality of standards to any position management/classification system, it is evident that a standards program is of the highest priority.

There must be a more uniform standards and evaluation program which can be understood by classifier and operator alike, and operator participation in the establishment of such a program to ensure its acceptance.

Recommendations

Recommend that the cyclic survey program, which is a main contributor to PMCD's heavy workload and of questionable value in the minds of many, be reexamined with a view toward its elimination in favor of a "maintenance" program, or its reduction in frequency and scope.

Recommend that any "personnel savings" resulting be channeled into standards program activities.

Recommend that as many as possible of PMCD's current staff be assigned to a "crash" standards development program.

Recommend that coincidental with, or at the conclusion of, this program the standards branch be reestablished.

Recommend that PMCD continue its work leading to the adoption of the principles of the new Civil Service Commission's Factor-Ranking/Benchmark System which will provide a desired "uniform" base that can be readily understood by operator and classifier alike. Further recommend in the interest of ensuring greater operator participation that the modular evaluation technique used so successfully by PMCD in certain Office of Communications positions (and which would seem to have similar application in places such as Div D, DDO, ISS in CRS/DDI, scientific positions in DDS&T and finance positions in DDA) be used as extensively as possible.

PMCD

Staffing - Organization - Modus Operandi (Con't)

Findings

Operating personnel's lack of understanding of the purpose and objectives of position classification, the evaluation process in effecting such classification, and the requirement for the essentials of position management poses a significant obstacle to PMCD's discharge of these responsibilities.

During its existence the Office of Executive Director-Comptroller was in effect the Agency appeal mechanism (in other government agencies - exempt and non-exempt - there are formalized channels of appeal) to resolve operator/Office of Personnel "classification differences." In abolishing the Executive Director-Comptrollership no provision was made for an alternative formalized appeal mechanism and as a result there is "operator confusion" on the avenue of appeals.

Conclusions

Educational program for line managers and other operating officials is necessary to provide for an effective position management and classification program.

An "appeal" policies and procedures are essential to the final adjudication of classification differences which cannot be resolved by the Director of Personnel.

Recommendations

Recommend (in addition to DCI Policy Statement on subject of Position Management) that (1) a position classification training program be developed for the purpose of "educating" component personnel officers and operating officials involved in classification activities. (Such a program isn't incorporated in existing supervisory/management training courses.) (2) Publish a position management "flyer" for line managers.

Recommend in the absence of an Executive Director-Comptroller or the delegation of "final" classification authority to a senior officer of the Director's choice a formal appeal policy and procedural mechanism be established. This mechanism should provide for appeal by the operator, position incumbent, and - when such is necessary to maintain equity - by PMCD.

SECRET

~~SECRET~~ POSITION, Grade and Promotion ..... ~~SECRET~~  
(The Grade Creep)

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

#### Conclusions

Grade creep is a reality in CIA, despite attempts at control, the average grade of staff employees has crept within close range of the average grade of positions. If unchecked, incumbent average grade might soon match or exceed position average grade and might well lead to "external controls."

The upward trend is in conflict with government wide programs, introduced at the very highest levels, to halt rising government personnel costs. Comparisons are odious and can be misleading particularly when comparing modest size with the giants, but it is noted that the average grade in Dept of Defense has declined from 7.81 in 1971 to 7.57 in FY 75, years in which DOD had a net reduction of 300,000 or 24%, and from 7.92 to 7.80 in the government wide average.

Roll-back of average grade is exceedingly difficult if not impossible. Two major attempts at rolling back Agency average grade had to be abandoned, one in 1964 at the instigation of the Inspector General. The second attempt in 1972 was imposed by the Office of Management and Budget (OMB) would have stopped all promotions and cut the entrance of young professionals. It was withdrawn upon 'reclamation' by the Agency.

#### Recommendations

General controls from within, as specified in subsequent recommendations involving the position management and classification functions, should be adopted to stop grade creep and the increase in supergrade positions and people to forestall controls from without.

The basic approach to this problem should include the following elements:

Clarifying, or when necessary establishing, staff and coordinating responsibilities for the program of grade control.

Placing increased emphasis on position management in the position evaluation and ceiling allocation process to assure that the numbers of positions, their grade levels and occupational types are considered on a timely and critical basis.

Placing new emphasis on the accuracy of position classification based on new and more meaningful and mutually (operator/classifier) understood standards as they can be developed.

Developing new and more sophisticated methods of evaluating jobs, with particular attention to the development of criteria for abolishing or reprogramming marginal positions as they become vacant.

✓ Making grade control and position management a part of the Agency MBO-LOI program so that they become objectives of all levels of management.

Reviewing the competitive promotion policy and the impact on it of a tighter grade policy.

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

SECRET

It is further recommended that control of average grade and of position management be monitored by DCI review in a manner similar to the APP on the people management side.

### Findings

From the standpoint of formal organization, the major responsibilities for control are placed in the current Regulations as follows: (D/Pers authorities are exercised through the Position Management and Compensation Division (PMCD) OP.

Manpower Allocations  
and Ceiling Controls

25X1A

25X1A 25X1A

Establishment of  
Ceilings for GS-14  
through GS-18 as  
directed by QMB.

Control over Average  
Position Grade

Position Evaluation

Career Service Grade  
Authorization. (CSGA)  
(Promotion Limits)

25X1A 25X1A

DCI for Directorate  
Ceilings. The DD's  
for Ceiling within  
their Directorate.  
The Comptroller for  
review, monitoring  
and recommendation  
to the DCI, and for  
informing D/Pers of  
changes.

Director of Personnel.  
Proposed increases  
require Comptroller  
concurrence.

D/Pers monitors  
and advises line  
officials.

Director of Personnel.

D/Pers issues and monitors.

### Conclusions

The question of responsibility, namely what official would be responsible for an unwanted result, is difficult to pin down in present regulations. The question becomes one of how far to go in changing things. If the Position Management and Compensation Division were transferred to the Comptroller, the ceiling and position management functions would be integrated with the position classification and salary and wage functions and this would be desirable from a control and responsibility standpoint. There would be losses however, such as the removal of the evaluation process from the other aspects of personnel management, which might make the transfer counterproductive. Another consideration in favor of the Director of Personnel is the general trend in the federal government. The Civil Service Commission, which looks to the Personnel Directors for results, has received the Presidential nod in reducing personnel costs using position management methods rather than QMB using across the board controls, the latter favoring the Comptrollers.

At present the position management function as such, that is, the determination of numbers of positions, grade levels, occupational requirements is not clearly defined at the Agency level, but would seem to be, as far as can be told from [redacted] a Comptroller function. In contrast, the function is very clearly defined at Office of Personnel level to be a PMCD responsibility.

The CSGA, which serves as a reference point for the Annual Personnel Plan is based on positions rather than incumbents at a given date. Thus it shows a 28.4 percent promotion possibility in FY 74 against 19.7 percent in FY 72.

### Recommendations

Amend the Regulations to include position structure in the gross personnel ceilings at the time of allocations. Presently a Comptroller function (from a staff standpoint) the combination would be a joint Director of Personnel (PMCD) and Comptroller responsibility to the DCI with the D/Pers responsible for review and monitoring.\*

Define the position management function at the Agency level and place it upon the Director of Personnel as the other part of the position evaluation function. The objective would be to assure that the entire Agency understood that position management and classification are staff and coordinating functions of the Director of Personnel.\*

Examine the competitive promotion policy and the CSGA. Perhaps with the reduced complement and the average grade of incumbent approaching the position average grade, the CSGA should be based on position requirements not on established positions and the actual advancement of an approved candidate for promotion, particularly at upper and super-grade levels should await the opening up of a position at the appropriate grade.

\*NOTE: Suggested regulatory and handbook amendments together with a proposed policy statement which the DCI might issue as an Employee Bulletin and/or Headquarters Notice are attached.

Findings

Management of Super-  
grade Personnel.

25X1A

The DCI, the  
Management Committee,  
D/Pers, Supergrade  
Review Panel. (Also  
subject to OMB Ceil-  
ing)

Conclusions

Dissatisfaction with and inadequacy of present organizational arrangements for administering supergrade positions, ceiling and people are illustrated by a paper on the subject prepared in Dec 1974 by the DDA for circulation to the Comptroller and the D/Pers. Briefly stated this concept would change present policy and procedure as established by Agency Regs and Ex-Dir Memo of 12 Dec 75 and prior policies. It would take the DCI out of the SG picture except for annual review of distribution and incumbency as against original allocation to the Deputies, place the authority for administering SG personnel with the Deputies, allow PMCD to classify positions to which SG ceiling had been allotted by the Deputies. Two additional procedures were provided. The Secretary of the Management Committee would, in the event of a reallocation of SG positions or ceiling, staff out and present to the Director, with the assistance of the Comptroller, such a request. The second would provide that in the event of disagreement between OP/PMCD and the Directorate on the classification of a supergrade position, the Comptroller together with the four line Associate Deputy Directors (A/DD's) would decide.

Recommendations

Develop a more sophisticated basis to evaluate supergrade positions. The format and fact or analysis developed by the Civil Service Commission under that portion of the Coordinated Job Evaluation Plan applicable to the Executive Evaluation System (EES) would appear to provide an excellent base under which PMCD and "Agency executives" could build the necessary documentation for better supergrade position evaluation. A copy of the EES "factors" is attached.

Establish a periodic review and report by the Director of Personnel to the DCI on the management and utilization of supergrade positions as they become vacant

In the case of impasse between the Director of Personnel and the Directorates on the classification of supergrade positions - impasse formerly resolved by the Ex Dir Compt, the DDCI, or other designee of the DCI, would make the decision. This appeal channel is suggested not only to remove the Deputies and/or their Associate Deputies from the awkward position of ruling on their own supergrade structure, but also to reinforce the Directors immediate responsibility for decisions relative to supergrade positions and personnel.



25X1A

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2  
Position, Grade and Manpower Controls (Cont'd)  
(Responsibilities)

Findings

Management of Supergrade Personnel (Cont'd)

☐ Personnel Rank Assignment

Definition: A personal rank assignment is the assignment of an employee to a position of a grade lower than his grade.

Responsibilities: PRA's may be approved by D/Pers if one of five conditions met, one of which is competitive promotion. Also requires approval for a specific maximum period as agreed by Operating Official, Head of the Career Service.

Current Status: As of 12 Sept 75 there were 58 Supergrade individuals in non-supergrade positions.

☐ As-  
signment to  
position of  
higher grade. There were also 98 non-supergrade individuals in supergrade positions. D/Pers approval required only if assignment is more than two grades above personal grade.

25X1A

Conclusions

A situation which reflects a significant number of supergrade positions occupied by non-supergrade personnel while at the same time supergrade personnel are slotted below their supergrade level, does not appear, on the surface at least, to be very satisfactory.

While some of this apparent "discrepancy" may be necessary "temporarily" by the workings of competitive promotion system or operational or other requirements the continuance of such assignments beyond a reasonable period would not appear warranted without the strongest justification.

Present procedure by which the Head of the Career Service reports to the Director of Personnel on PRA's and corrective steps being taken do not differentiate between Supergrade PRA's and PRA's in lower level positions. Nor are there special controls on the reverse, that is, assignment of non-supergrade personnel to supergrade positions unless the assignment involves a position more than two grades above the individual's grade.

Recommendations

The Director of Personnel should report to the Deputy Director concerned at the completion of two years of a SG PRA assignment and seek instructions on ending the PRA. The same procedure should be followed with respect to the reverse situation, namely the non-supergrade individual blocking a supergrade slot.

Quite apart from other reporting, the Director of Personnel should report once a year to the DCI on the number of Supergrade personnel PRA'd, and the number of non-SG personnel occupying SG positions. Report to be by major directorate, to show length of time of assignment and the Director of Personnel's recommendation for resolving "problem assignments" which have extended beyond a reasonable period.

The new responsibilities of the D/Pers should be reflected in amendments to ☐ ment of SG Personnel as cross referenc ☐ and ☐ Suggested revisions are attached.

25X1A

25X1A

Centralized VS Decentralized  
(Personnel Management)

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X1A

Findings

Agency practice has been to decentralize the management of people to the career services while maintaining centralized management of positions and ceilings.

The management of supergrade personnel, positions and ceiling has always been an integrated process with the Executive Director-Comptroller the final arbiter for the DCI of both positions and people subject to the external controls of the Office of Management and Budget on numbers of Upper Level and Supergrade people.

In March 1973, before assuming office as Director of Central Intelligence, Wm. E. Colby expressed his philosophy concerning the ancient dilemma of centralized versus personnel management:

As to alternatives between centralized personnel management and the decentralized system we have today, I think neither is the right answer. The decentralized system provides personalized treatment of the enormous variety of individual skills our people have. At the same time the decentralized system allows inequities and inconsistencies in personnel management because of bureaucratic divisions. The latter problem can be solved by centralized reporting of personnel activities and by imposing a common planning process and guidelines for decision making.

Conclusions

A new balance between centralized and decentralized personnel management must be found, one suited to the nature of the times.

In accordance with the Director's statement, this balance will require a shift of some responsibility to the operating components (decentralization) and some shift in the opposite direction, involving common planning guidelines.

25X1A

Recommendations

Rework [ ] Personnel Administration to reflect the change of focus from service to control on personnel planning and control. Include the Director of Personnel responsibilities for position management, average grade control in this general statement of policies. The policy followed should be one of centralized planning and control of positions with people management, including assignment, promotion, utilization decentralized as at present subject to D/Pers review.

Approval and review, including periodic surveys as provided for in [ ], of position structure and the classification of positions should remain a responsibility of the Director of Personnel through PMCD/OP.

### Findings

'Administration should be the handmaid of operations' said Allen Dulles in 1947 before he became part of the CIA and his message has had an impact for twenty-five years. While the substantive activity of the Agency should predominate perhaps it is time for another message, one which would include position management as an organization value.

In the main, operating officials see position management and classification as somebody else's job, and the system as something to beat. Position classifiers are seen as bureaucratic, negative, vacillating, and externally oriented, surrounded by mystique.

Most position classifiers are competent in their area of speciality. However they see themselves as besieged, fighting an uphill if not a losing battle, lacking in support at the highest levels, misunderstood.

The DCI has been an excellent communicator on many aspects of personnel administration such as changes in the Career Services, the Annual Personnel Plan, the Personnel Approaches Study Group, the Personnel Development Plan; but not much has been said officially on an equally important part of personnel management, namely position management and grade control.

### Conclusions

In addition to the program changes required if position management and classification is to be made effective, an upcoming need is to do some thinking about the communications task. The role of structure is not understood, being under emphasized on one hand by the emphasis on flexibility and perhaps overemphasized in a mechanistic way on the administrative side.

One clue to the communication problem is described by Arch Patton, a director of McKinsey and Co. and Chairman of the Presidential Commission on Executive, Legislative and Judicial Salaries:

"A more effective system would result from involving the line or functional manager in the evaluation decision. . . . it would sharply reduce the upward float of positions in the structure by strengthening the line manager's position in the evaluation process. When it becomes his decision and not the decision of some technician whose judgement he instinctively questions, the manager will tend to accept the values as established, and be less tempted to beat the system. . . ."

### Recommendations

Good organization communication is based on confidence and is largely an aspect of leadership, to be achieved in part in the case of position management by the formal steps, announcement of intention, and regulatory and other policy/procedural amendments as discussed elsewhere in this report.

Technical aids to good communication would include the development, with operator participation\*\*, and promulgation of position standards, the inclusion of position management and classification in the training curriculum for supervisory and management training, the publication of a flyer, such as the Navy Dept's, on position management. [A "first-cut" draft of such a pamphlet based on the Navy "flyer" is included in this report.]

Make grade and position management an evaluation factor in the performance evaluation of every line supervisor, branch chief, division chief, Office Head, Career Service Head. Make all levels of supervisors which originate or propose official statements of duties and responsibilities understand that they are certifying what is in effect a pay-roll document; and that while the Director of Personnel through PMCD, OP has the staff and coordinating responsibility, final responsibility rests with line management.

\*\* The work module Evaluation System referred to elsewhere in this report insures this because it requires direct input from operating officials.

## ORGANIZATION

## 1. OFFICE OF PERSONNEL

- (1) **MISSION.** The Director of Personnel is responsible for developing and recommending Agency policies, standards, and procedures for personnel management; for guiding and evaluating personnel management action by the Career Services and operating components; for authenticating, recording, and reporting Agency position requirements and personnel transactions; for operating an Agency recruitment program nationwide; and for operating central benefits and services programs of common concern.
- (2) **FUNCTIONS.** The Director of Personnel will
- (a) conduct research and make statistical and analytical studies pertinent to Agency personnel management and develop and recommend policies, standards, and procedures for personnel management in the Agency;
  - (b) operate a system of nationwide recruitment to include the initial evaluation and ultimate appointment of new personnel;
  - (c) make all initial assignments of personnel, operate a system for holding new personnel for eventual assignment, and make such reassignments as require central coordination and control;
  - (d) prepare individual contracts when personal services are obtained through contractual relationships, and execute contractual agreements for the covert support of operations;
  - (e) authenticate official position and personnel action documents and maintain official current and historical personnel records and a reporting system to serve Agency managers;
  - (f) advise and assist Heads of Career Services and Operating Officials on matters of personnel management;
  - (g) conduct periodic surveys to evaluate the organization and classification of Agency positions;
  - (h) consolidate and analyze the Annual Personnel Plan and Personnel Development Program reports of the Career Services for presentation to the Director;
  - (i) administer the CIA Retirement and Disability System and the internal applications of the CSC Retirement System and provide secretariat services and administrative support to the Retirement Board;
  - (j) provide a program to assist prospective retirees in preparing for and obtaining post-retirement employment and to furnish prospective resignees with possible sources of new employment;
  - (k) review and make recommendations when involuntary separations are contemplated, and process all separation actions;
  - (l) Not Used
  - (m) administer the Agency Suggestion and Invention Awards Program and provide secretariat services and administrative support to the Honor and Merit Awards Board;
  - (n) establish special monetary allowances and differentials for overseas personnel as required;
  - (o) administer the Agency overseas medical benefits program and exercise the authorities provided the Agency by the Missing Persons Act, as amended;
  - (p) provide a processing service in cooperation with other support components to assist personnel performing official travel; arrange for

Administer the Agency position management, classification and compensation program, including the conduct of periodic surveys to insure the currency of individual position evaluation and position structure as a whole, as defined in

25X1A

→ Revised: 30 January 1975 (855)

CONFIDENTIAL

65 25X1

SECRET

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X1A

25X1A

DEFINITIONS\*

[ ] to be revised to incorporate the substance of the definitions below and the survey program responsibilities as set forth in the attached "expired" [ ]\*\*.

Position Management is concerned with organizational structure alignment of functions, number of positions at different skill levels, occupational levels required to carry out missions, ratio of professionals to clerical, number of supervisors to work force, overlapping of responsibilities. It is ordinarily a Management Staff function.

Position Classification determines how the position is to be classified -- where it fits into the classification plan that applies to it and other positions like it, and what its title and pay level should be under the plan. The position classification process must be preceded by position management decisions.

Compensation, Salary and Wage Administration translates position classification grade information into salary and pay determination in relation to the current classifications and pay levels of co-workers. . . . In addition to following the principles and practices of the government-wide Classification Act of 1949 for salaried staff employees, the Agency follows Army, Navy, Bureau of Engraving, Government Printing Office hourly wage schedules for its blue-collar type employees.

25X1A

\* Definitions taken from the Position Management and Compensation Division History, 1946-67 published in December 1971, pp. 2-4.

\*\* This revision is in addition to that referred to in comments on [ ]

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

SECRET

25X1A

1. Sept 1973  
This Notice Expires 1 September 1972

Official Record Copy  
Office of Personnel

14 JAN 1972

PERSONNEL

7 January 1972

JB2

25X1A

POSITION SURVEY PROGRAM

25X1A

REFERENCE:

1. The referent regulation establishes the objectives of position evaluation in the Agency and provides for periodic surveys to ensure the currency of individual position evaluations and of the position structure as a whole. These surveys are especially important in this time of limited personnel resources.

2. The Director of Personnel is directed to schedule and conduct position and manpower utilization surveys in all components with the objective of achieving complete coverage of the Agency each three years. He will report the results of such surveys promptly to the operating heads and directorate manpower officials concerned. Copies of all reports will also be submitted to the Executive Director-Comptroller.

3. These surveys offer real assistance in our efforts to achieve the most productive utilization of our personnel resources. Full cooperation is essential at all management levels in order that the maximum benefit may be derived from this program.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

25X1A

JOHN W. COFFEY  
Deputy Director  
for Support

DISTRIBUTION: AB

160 advised RCB  
to let this stand.  
JW

C-O-N-F-I-D-E-N-T-I-A-L

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

PERSONNEL

SECTION II: STAFFING

**10. ORGANIZATION AND MANPOWER CONTROLS.** This paragraph prescribes basic Agency policy and general responsibilities pertaining to the administration of the Agency's manpower control program with respect to the staff manpower ceiling authorized each fiscal year by the Congress and the Office of Management and Budget.

**a. POLICY.** The Agency will conduct a continuing program of manpower resources management that will ensure maximum efficiency and economy in the use of manpower consistent with the Agency's assigned missions and responsibilities.

**b. PROGRAM.** The Agency's staff manpower control program encompasses the following:

- (1) The continuing review of manpower utilization in terms of program objectives, organizational structure, staffing levels, position classification, and productivity measurement.
- (2) The forecasting of the manpower requirements for each Agency component based on the preparation, review, and analysis of the annual program plans and budget estimates.
- (3) The establishment, by fiscal year, of approved staff manpower ceilings for each Agency component based on the preparation and review of operating plans and budgets.
- (4) The projection of long-range Agency manpower requirements by numbers, skills and occupational fields in relationship to Agency programs, assigned missions, and priorities.
- (5) The identification of requirements for staff personnel by organizational component and career service.
- (6) The flexibility in position structure to enable Operating Officials to shift personnel to meet short-term changes in workload.
- (7) The differentiation between manpower assigned to carry the unit workload and manpower assigned to training for career and skills development purpose.
- (8) The recognition of the necessity to maintain a reserve of trained personnel who would be immediately available to meet contingency requirements and provision for the assignment of such personnel to productive work or training during periods when a contingency requirement for their services does not exist.

**c. DEFINITIONS.**

- (1) **COMPONENT.** For the purpose of this paragraph, a component is any organizational unit for which a budget is required, prepared, and submitted.
- (2) **STAFF MANPOWER CEILING.** The staff manpower ceiling of the Agency, or of each of its components, is the maximum number of full-time personnel in both the staffing and development complements authorized to be employed at the end of the fiscal year. Each individual in the following categories of personnel will count against the authorized staff manpower ceiling:

- (a) Staff personnel, including supergrade and Scientific Pay Schedule personnel, but excluding employees whose salaries are reimbursed by other agencies and organizations and those who are on leave without

→Revised: 26 January 1973 (724)

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

PERSONNEL

25X1A

pay for more than 30 calendar days. (A part-time staff employee who is scheduled to work less than 40 hours per week counts as one full-time employee if his scheduled hours of work are more than 20 hours per week and as one-half full-time employee if his scheduled hours of work are 20 hours or less per week.)

(b) Military and civilian personnel on detail from other government agencies on a reimbursable basis.

(3) **STAFFING COMPLEMENT.** A staffing complement is the plan of a component for the assignment and utilization of staff personnel, and military and civilian personnel on detail to the Agency. It identifies the positions to which such personnel will be assigned to carry out the assigned missions and functions of the component, the positions allocated to each element thereof (identified by type, grade, and Career Service), and the planned incumbency of each position. Staffing complement positions are categorized and defined as follows:

(a) For personnel assignment purposes

(1) limited positions are positions that may be occupied by no more than a specified number of individuals at one time, except for overlaps in connection with reassignment;

(2) flexible positions are positions that may be occupied, as required by existing workload, by any number of incumbents within the staff manpower ceiling allocation of the component. The number of incumbents planned for each flexible position will be shown in the staffing complement.

(b) For personnel and position controls

(1) ceiling positions are positions that are chargeable to a component's authorized staff manpower ceiling. Staff manpower ceiling positions that are designated as General Schedule (GS) serve as the basis for determining the average position grade for the component;

(2) nonceiling positions are positions that are not chargeable to a component's authorized staff manpower ceiling. These positions are established for employees whose salaries are reimbursed by other agencies and organizations or are established or retained in excess of authorized staff manpower ceiling for temporary or occasional use.

(4) **DEVELOPMENT COMPLEMENT.** A Development Complement is an allowance within an approved staff manpower ceiling to provide for the assignment of personnel of a Career Service who are not performing the duties of an established staffing complement position such as when they are in extended training, on LWOP in excess of 30 calendar days, on detail to another agency or organization, or are awaiting reassignment between staffing complement positions. Employees in Development Complement status are charged against the staff manpower ceiling as provided in subparagraph (2)(a) above.

(5) **CAREER SERVICE GRADE AUTHORIZATION.** The Career Service Grade Authorization (CSGA) of each Career Service reflects the maximum number of personnel authorized on duty at each GS grade level within the Career Service concerned or in subordinate Career Sub-Groups in Career Services where such Sub-Groups are identified. The CSGA is based upon the number of Agency staff manpower ceiling positions at each GS grade level that have been identified with the Career Service or the Career Sub-Group

CONFIDENTIAL

→ Revised: 13 June 1974 (816)



CONFIDENTIAL

PERSONNEL

concerned. The CSGA is adjusted upward or downward, as necessary, to compensate for positions occupied by individuals whose Career Service Designations or Career Sub-Group Indicators are not compatible with the designations of the positions to which they are assigned.

- (6) CONTINGENCY TASK GROUP COMPLEMENT. The Contingency Task Group Complement is a planned allowance within an approved staff manpower ceiling to provide for the interim use of specially trained individuals who are available for immediate assignment or commitment to contingency tasks of high national priority anywhere in the world.

d. RESPONSIBILITIES

- (1) Each Deputy Director is responsible for implementing the provisions of this regulation within the area of his jurisdiction and will
- (a) ensure that the distribution of manpower and staff manpower ceilings to components under his control is consistent with program priorities and objectives and represents the most economical utilization of manpower resources possible;
  - (b) determine the appropriate allocation of staff manpower ceilings among the components under his jurisdiction within the directorate ceiling issued by the Director;
  - (c) within the time period specified by the Director identify to the Director of Personnel those positions that are in excess of a reduced staff manpower ceiling;
  - (d) make shifts in manpower which are within the manpower ceiling allocated to the directorate, without prior approval, provided that such changes have no manpower implications for another directorate or do not entail a significant organizational change. The Comptroller and the Director of Personnel will immediately be notified of such changes with the reasons therefor;
  - (e) present proposals for significant organizational changes or for changes in manpower ceilings which are not within the manpower ceiling allocated to the directorate to the Director for approval. Proposals should be forwarded, with appropriate justification through the Comptroller. (Significant organizational changes include such actions as the establishment or closure of a station or base, the transfer of a major function from one component to another, or those actions which would exceed either the authorized average grade or the number of authorized positions at grade GS-14 and above.)
  - (f) within the framework of the guidelines provided by the Director and/or the Comptroller, include proposed manpower requirements as a part of the directorate program and budget submission;
  - (g) develop and forward (as requested in the Annual Program and Budget Call) to the Director of Personnel proposed staffing complements or revisions thereto of the components under his jurisdiction.
- (2) Officials responsible for budget submissions within the authority delegated by the Deputy Director concerned, will
- (a) within the framework of the guidelines provided by the responsible Deputy Director and/or the Comptroller, include his proposed manpower requirements as a part of his program and budget submissions;

Director  
of Per-  
sonnel  
and the

→ Revised: 13 June 1974 (816)

CONFIDENTIAL

33

25X1

25X1A

CONFIDENTIAL

PERSONNEL

- (b) develop and forward (as requested in the Annual Program or Budget Call), to the Deputy Director concerned, his proposed component staffing complement or revisions thereto. Except under temporary situations where approval has been granted by the Director, the total number of ceiling positions will not exceed the staff manpower ceiling of the component concerned. When a component chief proposes to establish, abolish, or change the Career Service Designation, Career Sub-Group Indicator or grade of a position under his operating control which has another Career Service Designation, he will notify the Head of that Career Service as soon as practicable in order that the Head of the Career Service may make appropriate recommendations;

L

- (c) review continually personnel requirements with respect to priority of functions and organizational structure to ensure maximum productivity and economy in the utilization of personnel.

(3) Each Head of a Career Service will

- (a) plan the composition of the membership of his Career Service by grades and occupational skills based on requirements for personnel of his Career Service which are included in approved staffing and development complements;
- (b) review proposals for revisions to staffing complement positions affecting his Career Service and, if appropriate, make recommendations to the head of the operating component concerned.

➤ (4) The Director of Personnel will

- (a) authenticate and issue staffing complements and revisions thereto, subject to the approval of the Director when proposals would result in significant changes in organizational structure, or in changes affecting another directorate. The Director of Personnel will obtain the prior concurrence of the Comptroller when revisions increase the Agency's average grade or the total number of positions GS-14 and above.
- L (b) ensure that prompt action is taken by Deputy Directors to revise staffing complements to equate the number of ceiling positions within a component to its authorized ceiling;
- (c) monitor the entrance-on-duty and transfers of personnel among Agency components in order to ensure that on-duty strengths are managed within approved directorate manpower authorizations;
- (d) evaluate proposals for establishing or changing the number, grade, or allocation of supergrade and Scientific Pay Schedule positions within the Agency and transmit proposals to the Director with recommendations;
- L (e) develop and publish Career Service Grade Authorizations;
- (f) ensure that the Career Services remain within their Career Service Grade Authorizations;
- (g) collaborate with the Comptroller in implementing the Agency's manpower control program;
- (h) project long-term Agency manpower requirements by numbers, skills, and occupational fields on the basis of information provided by the Comptroller, the directorates, and other appropriate sources; ✓
- L (i) collaborate with the Comptroller in evaluating on a continuing basis manpower utilization throughout the Agency.

CONFIDENTIAL

ADD: (j) approve, subject to the concurrence of the Comptroller, requests for increases in average grade and upper level (GS-14 - 18) ceiling.

CONFIDENTIAL

PERSONNEL

in collaboration with <sup>1</sup> (5) The Comptroller will  
the Director of  
Personnel

(a) review proposals for significant organizational changes and changes in manpower ceilings which have budgetary, manpower, or program implications among two or more directorates and submit appropriate recommendations to the Director;

Delete - (replaced  
by new

(b) review and recommend action to the Director on proposals involving establishment or upgrading of positions which would exceed either the authorized average position grade or the number of authorized positions at grade GS-14 or above;

(b) (c) notify the Director of Personnel of organizational and manpower ceiling changes which have been approved by the Director;

(c) in collaboration  
with the Director  
of Personnel

(d) ensure a continuing review of manpower levels and allocations among Agency components in terms of program objectives, levels of productivity, and grades and numbers of personnel;

(d) <sup>1</sup> (e) in collaboration with the Director of Personnel, develop and recommend to the Director policies, techniques, and procedures necessary to ensure the operation of a continuing and systematic program of manpower control and reporting.

CONFIDENTIAL

CONFIDENTIAL

25X1A

PERSONNEL



# 11. POSITION EVALUATION

a. **GENERAL.** In setting up occupational categories and pay levels for Agency positions it is Agency policy to follow the concepts and principles of the Classification Act of 1949, as amended, as a means for establishing effective internal position alignment, maintaining reasonable comparability with other Government agencies, and simplifying adjustments to conform to Federal salary changes and employment benefits. Overall objectives are to maintain an Agency staffing pattern which will attract and retain highly qualified and competent employees and which will reflect the characteristics of Agency employment, and to provide an effective means of controlling expenditures for personal services. In the evaluation of positions, consideration is given to such factors as:


- (1) the relative difficulty of the major functions and responsibilities of positions including the extent of supervisory control over the positions, the nature and level of supervision exercised; and the workload involved; Delete
- (2) the Agency-wide requirement to exercise the utmost vigilance, on the job and in private life, to protect the national security, the security of Agency activities and the safety of all persons engaged in intelligence operations;
- (3) the requirement for unique skills and for the assumption of additional responsibilities when the normal division of labor is precluded by compartmentation for security reasons;
- (4) the requirement for unusual ingenuity, creativeness, and alertness brought about by changing doctrines and procedures for intelligence operations or support and the frequent shifts in duties stemming from such changes;
- (5) the need to accept a degree of personal anonymity in the interest of the U.S. Government;
- (6) recognition of the fact that comparability with salaries outside the Government should result in maintaining stability in position grades unless a significant change in the character of the work being performed can be demonstrated.

b. **POSITION DESCRIPTIONS.** The \*Administrative Officer, O/DCI for the Office of the Director, Heads of Independent Offices, and Operating Officials will provide the Director of Personnel with such information on the functions and responsibilities of positions as he may require in order to evaluate and classify them according to occupational category and pay level.

c. **EVALUATION OF STAFFING COMPLEMENT POSITIONS.** Staffing complement positions are evaluated and classified by any one or any combination of the following techniques: (1) ranking of positions by degree of responsibility; (2) comparison of essential factors with available position standards; and (3) comparison with other comparable positions, both within the Agency and in other Government agencies.

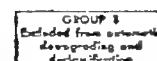
d. **EVALUATION OF NEW POSITIONS.** When setting up new organizational components or new positions, if information is inadequate to accurately determine grades, positions and pay levels may be established on a temporary basis subject to review and adjustment by the Director of Personnel when he has determined that sufficient information is available.

This to be revised once a new evaluation system (possibly factor-ranking/benchmark system) has been approved.

NOTE:  should also be revised at this time.

\*Effective: 19 March 1975 (867)  
Revised: 9 June 1964 (198)

CONFIDENTIAL



c. **ESTABLISHMENT OF CEILINGS FOR GS-14 THROUGH GS-18 POSITIONS.** The Director of Personnel will establish ceilings for upper-level positions grades GS-14 through GS-18, within the overall Agency ceiling, prescribed in accordance with [ ] for each directorate and independent office. The classification of new positions and the reclassification of existing positions in the upper grade levels will be accomplished without net increase in the appropriate directorate's or independent office's overall ceilings for these positions. Upgrading of existing positions to upper grade levels will require compensating downgrading to GS-13 or below of other positions classified within the GS-14 to 18 range. Any increase in a directorate's or independent office's ceiling for upper-level positions will require concurrence of the Comptroller in accordance with policy set forth in [ ].

25X1A

f. **CONTROL OVER AVERAGE POSITION GRADE.** Normally, the classification of new positions and the reclassification of existing positions will be accomplished without increase in directorate or independent office or Agency average position grade unless exceptions are fully justified. Upgrading of existing positions will require compensating downgrading of other positions classified at approximately the same grade levels as the upgraded positions.

25X1A

(1) **EXCEPTIONS TO AVERAGE GRADE CONTROLS.** Requests for exceptions will be fully justified in writing by the Deputy Director or Head of Independent Office concerned and forwarded to the Director of Personnel through the Comptroller.

(2) **RESPONSIBILITY.** The Director of Personnel will monitor the average grade of each directorate and independent office and will provide advice to the officials concerned as to areas where compensating changes may be made.

g. **SURVEYS.** Periodic position surveys are made to update position information, and to make necessary adjustments in the grade of individual positions and the position structure as a whole.

\*Effective: 19 March 1975 (867)

→Revised: 19 March 1975 (867)

ADMINISTRATIVE—INTERNAL USE ONLY

AUDIT

1. AUDIT OF AGENCY ACTIVITIES

a. **POLICY.** The Agency will provide audit facilities and services to ensure a final and independent audit or audit review of components, installations, programs, and activities consistent with audit standards and requirements promulgated by authoritative audit and management offices of the Government, and with the guidelines set forth by the Director of Central Intelligence. Only the Director of Central Intelligence may exempt an Agency activity from audit.

b. **RESPONSIBILITIES**

(1) The Audit Staff of the Office of the Inspector General is responsible for the examination and appraisal of policies, systems, procedures, records, and reports relating to programming, budgeting, accounting, procurement, and supply; and, other operations having an impact on the expenditure of funds, use of resources, or effective accomplishment of Agency objectives.

(2) The Chief, Audit Staff will:

(a) Prepare an annual audit plan developed in coordination with program officials. The plan will cover all Agency activities subject to audit, the activities and locations selected for audit with assigned priorities, the reasons for their selection, the audit period, the scope of audit coverage, the management benefits anticipated from the audit, and evidence of coordination with the Comptroller or the appropriate Deputy Director on the selection of subject matter for management audits.

(b) Direct the performance of planned audits of headquarters components, domestic or overseas field installations, and related programs and projects. Dependent on the scope of audit coverage outlined in the audit plan, determine whether:

(1) Financial operations are properly conducted, financial reports are presented fairly, and compliance with laws and regulations has been achieved.

(2) Agency resources are managed and used in an economical and efficient manner.

(3) Desired results and objectives are being achieved in an effective manner.

(1) review the most recent position management survey conducted by the Office of Personnel;  
(2)

(c) When an audit is planned which encompasses elements of subparagraph 5(2)(b)(2) and/or (3) above; augment the audit team where necessary with an individual or individuals with appropriate experience in the technical field or operational area to be reviewed. These individuals may be drawn from either the Inspection Staff, the directorate involved, retirees, or outside consultants, and should be independent of the program under review. Individuals selected for augmentation of audit teams will be appropriately cleared with the Deputy Director concerned.

(d) Coordinate with the Director of Personnel all audit findings and recommendations relating to position management and manpower utilization.

(e) Report the observations and recommendations resulting from audits to Agency officials responsible for taking actions, and to other responsible or management officials as may be appropriate.

(f) Follow up recommendations when necessary to assure that appropriate action is taken, and report to the Director of Central Intelligence through the Inspector General any recommendations that are not being resolved satisfactorily at operating levels.

→Revised: 3 June 1975 (882)

1

ADMINISTRATIVE—INTERNAL USE ONLY

- 9 (1) Determine the need for site audits of projects involving Agency instrumentalities (see [redacted]), and engage or approve the public accountants to be used in those cases where cover or other reasons preclude the use of Agency auditors. Before instituting a site audit the Chief, Audit Staff will obtain:
- (1) Concurrence on the use of either Agency auditors or public accountants from the office controlling the operational phases of the project, and from the offices having security, commercial, and cover responsibilities.
- (2) Appropriate security clearances from the Office of Security if public accountants are to be employed.
- h (2) Direct the audit of all Agency-sponsored activities not funded by public appropriations, such as the Credit Union, the Employee Activity Association, the Voluntary Investment Plan, and employee health and insurance programs.
- (3) Deputy Directors and Heads of Independent Offices are responsible for assuring that offices and personnel under their jurisdiction:
- (a) Assist and cooperate with the Chief, Audit Staff and his representatives in carrying out their responsibilities.
- (b) Reply to audit recommendations within 60 days.
- (c) Obtain concurrent of Chief, Audit Staff before employing public accountants for audit purposes.
- (d) Provide that all fees and expenses for audit services of public accountants will be paid by the project or activity audited.
- L (e) Coordinate on the selection of subject matter for management audits.

25X1A

CONFIDENTIAL

## PERSONNEL

- (2) HEADS OF CAREER SERVICES. The head of each Career Service is responsible for
  - (a) ensuring that the principle of competitive evaluation is followed in his Career Service;
  - (b) recommending promotions to the Director of Personnel in accordance with the provisions of this paragraph; and
  - (c) determining competitive areas within his Career Service.
- (3) DIRECTOR OF PERSONNEL. The Director of Personnel is responsible for
  - (a) ensuring compliance with this paragraph by continuous evaluation of the Agency's promotion program; and
  - (b) reviewing all promotion requests and approving promotion actions which conform to the provisions of this paragraph.

22. Reserved.

## 23. MANAGEMENT OF SUPERGRADE PERSONNEL

## a. POLICY

- (1) The Director of Central Intelligence will determine the number of Agency personnel who may hold supergrade rank.
- (2) An employee will hold supergrade rank for such time as the Director may determine, regardless of the nature of the duties performed.

## b. RESPONSIBILITIES

- (1) The CIA Management Committee is responsible for advising the Director of Central Intelligence on the productive use and development of supergrade personnel.
- (2) The Director of Personnel is responsible for advising the Director of Central Intelligence with respect to the number, level, and distribution of supergrade positions. He is further responsible for coordinating proposed actions affecting supergrades; and for making recommendations concerning such actions as appropriate; /
- (3) The CIA Supergrade Review Panel is composed of the four Associate Deputy Directors and a representative of the Executive Career Service. The panel is responsible for reviewing quarterly directorate and Executive Career Service supergrade and Scientific Pay Schedule vacancies and reassignment plans. The panel may make recommendations to the CIA Management Committee concerning plans and reassignments as the panel finds appropriate.
- (4) The Director of Central Intelligence will determine the disposition of any action effecting a change in supergrade positions or in the rank of personnel holding or proposed for supergrade rank.

## c. PROCEDURES FOR PROCESSING PERSONNEL ACTIONS

- (1) Deputy Directors and other officials reporting directly to the DCI will forward to the Director of Personnel requests for personnel action affecting supergrades; /

for reporting periodically on the number, type and duration of Personal Rank Assignments of Supergrade personnel; and for similar reporting on non-supergrade personnel assigned to supergrade positions, such reports to be furnished to both the DCI and the Deputy Director concerned.

including Personal Rank Assignments actions and those involving the assignment of non-supergrade personnel to supergrade positions.

Revised: 13 June 1974 (819)

CONFIDENTIAL

57

25X1A



Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

- (2) The Director of Personnel will notify the Inspector General, the Director of Security, and the Director of Medical Services of each personnel action request recommending a change in rank of a person holding or proposed for supergrade rank. Each of these officials and the Director of Personnel will examine their records and institute such additional investigation as they deem appropriate in order to determine the fitness of the individual being considered.
- (3) The Director of Security and the Director of Medical Services will advise the Director of Personnel when they have completed their studies. Upon receipt of information from the Director of Security and the Director of Medical Services, the Director of Personnel will forward the proposed action together with his recommendation to the Director of Central Intelligence for appropriate action.

## 24. MANAGEMENT OF SPECIALLY QUALIFIED SCIENTIFIC PERSONNEL

- a. **POLICY.** A personnel management and pay administration system is established herein for personnel assigned to selected scientific positions involving (1) the planning, organizing, directing, and coordinating of major scientific programs or (2) the planning and execution of productive research or consultation of a very high order in a specialized branch of a scientific field. Normally such personnel will be specialists in the sciences of mathematics, electronics, chemistry, engineering, or physics.
- b. **DESIGNATION OF POSITIONS.** Each Scientific Pay Schedule (SPS) position will be designated on organizational staffing complements by the normal title and occupational code used for comparable General Schedule (GS) positions, with the prefix "SPS" but excluding grade level, e.g., Physicist SPS-1310.04-00.
- c. **PAY RATES.** The pay range for personnel assigned or promoted to SPS positions will be from the minimum rate of GS-16 to the highest rate of GS-18. Pay steps within the Scientific Pay Schedule will be equated with pay steps for GS-16 through GS-18 as indicated below:

Scientific Pay Schedule  
Steps (1) through (4)  
Steps (5) through (8)  
Step (9)

General Schedule  
GS-16, Steps 1 through 4  
GS-17, Steps 1 through 4  
GS-18

Pay applicable to SPS step rates will be automatically adjusted on the basis of any future changes in the corresponding GS step rates.

(Continued on page 59.)

25X1A

CONFIDENTIAL

PERSONNEL

c. RESPONSIBILITIES

- (1) HEADS OF INDEPENDENT OFFICES AND OPERATING OFFICIALS. Heads of Independent Offices and Operating Officials should anticipate the personnel requirements of their components and notify the Heads of the Career Services concerned of such requirements through appropriate channels.
- (2) HEADS OF CAREER SERVICES. Heads of Career Services select personnel for assignment to operating components in response to stated requirements. If recruitment is necessary to obtain personnel to meet anticipated needs, the Head of the Career Service concerned should notify the Director of Personnel.
- (3) DIRECTOR OF PERSONNEL. The Director of Personnel in meeting the recruitment requirements of the various Career Services gives first consideration to the availability of qualified individuals serving in the Agency and, second, undertakes external recruitment when appropriate. In discharging his responsibilities for internal Agency recruitment, the Director of Personnel will maintain records of the qualifications of Agency personnel and will also use, as appropriate, pertinent data available from other components, including training reports and information developed by the Psychological Services Staff, Office of Medical Services.
- (4) DIRECTOR OF SECURITY. The approval of the Director of Security is required for reassignments to the Operations Directorate or to the foreign field. An information copy of Form 1152 covering other reassignments should be forwarded to the Office of Security.
- (5) DIRECTOR OF MEDICAL SERVICES. The Director of Medical Services determines the medical fitness of employees for certain categories of assignments as prescribed in [redacted].
- (6) SUPERVISORS. Supervisors at all echelons are responsible for the proper utilization and continuing evaluation of personnel assigned to their respective jurisdictions. They will advise the Career Service concerned, through appropriate channels, when there is evidence that an employee is misassigned.

d. ASSIGNMENT TO A POSITION OF HIGHER GRADE. An employee may occupy a position of a grade higher than his grade when

- (1) for training purposes the assignment is intended to afford the employee broader developmental opportunities in his career field; or
- (2) the employee is the best qualified person available at that time for the position.

However, an employee will not under normal circumstances be assigned to a position which is more than two grades above his grade. Any proposed assignment which is an exception to this policy will be submitted for concurrence to the Head of the Career Service concerned before it is submitted with full justification to the Director of Personnel for approval.

Assignments of non-  
supergrade individuals  
to supergrade positions  
must follow the pro-  
cedure specified in  
[redacted] Management of  
Supergrade Personnel.

PERSONAL RANK ASSIGNMENT

- (1) A personal rank assignment is the assignment of an employee to a position of a grade lower than his grade. An employee will not normally be assigned to a position which is more than two grades lower than his grade.

CONFIDENTIAL

--Revised: 13 June 1974 (817)

25X1A

25X1A

CONFIDENTIAL

## PERSONNEL

A personal rank assignment may be approved by the Director of Personnel when the Head of the employee's Career Service states that one of the following conditions exists:

- (a) The employee is to be competitively promoted but must complete his current assignment in a position of lower grade than his grade after promotion;
- (b) The employee is the only qualified person available for assignment to a position which must be filled immediately;
- (c) The employee possesses such unusual background, contacts, or qualifications for a particular position that his assignment to that position is essential to an Agency program;
- (d) The employee's service record and qualifications demonstrate satisfactory performance at his grade, and staffing plans will provide a position of that grade in the near future, but no appropriate assignment or proper grade is currently available; or
- (e) The employee is to obtain specific experience essential to the planned future use of his services.

- (2) Under any of the above circumstances, a personal rank assignment may be approved for a specified maximum period of time agreed upon by the Operating Official concerned, the Head of the employee's Career Service, and the Director of Personnel. At the beginning of each calendar year, Heads of Career Services will review personal rank assignments of employees under their jurisdiction and initiate such action as may be called for as reassignment to suitable positions at appropriate grade levels, other corrective measures, or extension in the event an assignment should be continued beyond the approved period. A report of such review and measures taken will be furnished the Director of Personnel.

25X1A

- (3) Refer   
 Management of Supergrade Personnel, for assignment and reporting procedures on Personal Rank Assignment of supergrade personnel.

f. REASSIGNMENT. It is in the Agency's interest to assign Career Employees to positions where they can develop and apply their abilities to the maximum and obtain satisfaction through the achievement of Agency and personal objectives.

- (1) The Director of Personnel publishes vacancy notices to advertise the qualification requirements of positions for which the Heads of Career Services wish to solicit candidates. Interested employees with the requisite qualifications are encouraged to inform the Director of Personnel of their desire to be considered for reassignment to such positions.
- (2) An employee seeking reassignment within his Career Service should make this interest known to his Career Counselor. The Heads of Career Services will ensure that such requests for reassignment receive full consideration and that reassignments in the employees' interest are arranged whenever practicable in terms of the requirements of the service.
- (3) Operating Officials will expedite the necessary arrangements to effect reassignments which have been determined desirable by the Career Service or Services concerned.
- (4) The Director of Personnel will coordinate reassignment arrangements between Career Services when appropriate. The reassignment of an individual from one Career Service to another is made on the basis of the requirements of the Career Services involved and the career goals of the individual concerned. The Director of Personnel reassigns an individual from one Career Service to another only after consultation with the individual and the Heads of the Career Services concerned.

L

→ Revised: 13 June 1974 (8:7)

CONFIDENTIAL

49

25X1A

8A

EMPLOYEE BULLETIN

No. \_\_\_\_\_

Date \_\_\_\_\_

AGENCY POSITION MANAGEMENT AND GRADE  
CONTROL, FY'76

1. On 28 May 1975, just prior to the start of FY'76, I assured the Director, Office of Management and Budget (OMB) that internal controls had been imposed to maintain and, where possible, to reduce the average grade of our position structure and the number of authorized positions at Grade GS-14 and above. This assurance was given to OMB in response to Presidential concern about rising personnel costs in the government which included the problems of grade creep and the increasing number of upper  
STATINTL grade personnel. My assurance was given in view of Agency policy as manifested in existing regulations and in the procedures specified in  Management of Positions and Ceilings.

2. Agency performance under these policies in the two areas of position management and grade control has been mixed. Our average position grade, based on approved positions, has held quite steady but a slowly rising incumbent grade average shows a somewhat different result which if unchecked could in time match if not exceed average position grade.

3. The alternatives to early and positive action are serious and could have a deleterious effect on our several 'people' management programs. The Annual Personnel Plan, the Personnel Development Plan, and actions resulting from the findings of the Personnel Approaches Study Group, would suffer if steps such as promotion freeze, roll back of average grade, reduction in Upper Level and Supergrade (GS-14 and up) positions

were taken. Such measures could very well be imposed from without unless we ourselves take steps to "manage" positions and control average grade actions.

4. To meet this problem I believe it essential for our position management and classification function, as exercised by the Director of Personnel through the Position Management and Compensation Division, Office of Personnel to play a more dominant role in our efforts to manage our manpower resources. No procedural changes are necessary, but the cooperation and possibly changed focus of line management is essential particularly in the exercise of restraint in requesting upgradings. Greater care by Career Boards with respect to the availability of positions at the grade level specified in making competitive promotions is also a "must."

5. In order to give the Director of Personnel a better opportunity to co-ordinate Agency efforts at holding the line on position management and grade control, the following policy changes are specified and will be included in revisions to Agency Regulations where necessary.

A. Include grade control and position management in the Agency Management by Objective and Letter of Instruction so that they become objectives of all levels of management.

B. Clarify, or where necessary establish staff and program responsibilities for the program of control as between the Comptroller and the Director of Personnel or jointly.

C. Include position structure, that is numbers of positions, occupational codes, grade levels, ratios (of clerical to professional personnel) in personnel ceilings at the time of allocation.

ILLEGIB

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

STATINTL

D. Definitize the position management function at the Agency level by its inclusion in  as a responsibility, quite separate and distinct from the position evaluation function, of the Director of Personnel.

E. Develop new and more sophisticated methods of job evaluation, particularly to abolish or reprogram marginal positions as they become vacant; and review the accuracy of position descriptions and grade allocations against these "new" standards.

F. Include review of component performance as to position management and grade control in all surveys by the Inspector General, the Audit Staff as well as in the position surveys of the Director of Personnel.

G. Make position management and grade control performance a factor in the coverages of the Annual Personnel Plan.

6. I am sure that with the cooperation of all concerned and the coordinating efforts of the Director of Personnel, we can show satisfactory year-end results.

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

10 Sept 75

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

MEMORANDUM FOR THE RECORD

Subject: 1. List of Agency Documents Examined with Reference to  
Proposed Policy Statement.

1. 28 May 75 DCI Ltr to Director GMB committing the Agency to the establishment of internal controls to maintain and where possible reduce the average grade of our positions structure and the number of authorized positions at Grade 14 and above.
2. 16 Oct 72 I.G.(Broe) Memo to Ex-Dir, Comptroller on FMCD surveys recommending that they be conducted independently but in co-ordination with I.G surveys. This was in response to the Ex-Dir(Colby) Memo questioning the advisability of double surveys.
- XX
3. Unidentified Segment of a Report which states that, "in our survey we found FMCD ill equipped in relation to its total assigned responsibilities. In recent years the division has lost some of its initiative and has assumed a somewhat passive ~~role~~ attitude toward accomplishing its total mission".
4. 4 Nov 74 DCI Memo for Chief, Audit Staff Subject: Scope of Audits which states in part that, "audits, with additional to financial aspects, will be conducted with the cooperation of the Comptroller, the appropriate program staffs of the directorates supervising the unit being audited, and in appropriate cases, the Office of Personnel. (Appropriate cases might be defined as those involving utilization of ceiling resources, average grade increases, position management)
5. [ ] last revised 3 June 75, Audit of Agency Activities, Para 1. b. (2) (b) (2) Agency resources are managed and used in an economical and efficient manner. ( ( Co-ordination with D/Fers on ceiling utilization, average grade performance and position management functions might be added).
6. [ ] Personnel Administration Para 1.b. Personnel Responsibilities. (Subparagraph might be added cross referencing Personnel Objectives (Subpara on position management)

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X1A

7. ☐ Section II Staffing 10. Organization and Manpower Controls b. Program (Add subparagraph on position management d. Responsibilities (Add or clarify position management responsibilities of the DD's) ; d. (4) clarify D/Pers responsibilities for position management and grade control (5) Clarify Comptroller and D/Pers mutual responsibility for position structure and management.

25X1A

8. ☐ Position Evaluation Add definition of position management as part of the evaluation process.

25X1A

9. ☐ Promotion (7) add availability of slot

25X1A

10. ☐ Management of SuperGrade Personnel (Change based on recommendation finally decided)

25X1A

11. ☐ R f. Office of Personnel (2) add position management and grade control as functions

25X1A

12. ☐ The Career Services No change

25X1A

13. Handout, FMCD Agency Position Management and Manpower, Utilization Philosophy, Objectives, Criteria. Handed out prior to survey, this pamphlet which is based on ☐ issued by the DDS on 7 January 1972 requires only a modification which would stress the position management and average grade controls as factors to be examined.

25X1A

14. ☐ Management of Personnel Ceilings and Positions: The procedural handbook, last issued on 3 June 1968 requires no change.

25X1A

CONFIDENTIAL

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

11 Sept 72



# POSITION MANAGEMENT

WHAT  
ARE  
YOU  
DOING  
ABOUT  
IT?

This pamphlet is designed to acquaint managers of the importance of POSITION MANAGEMENT and what you as a manager can do to promote better management in your organization.

The largest single item in the Federal Budget today goes for personnel services. You as a manager determine how these funds are used. Are you utilizing them economically and effectively?

A Guide for Agency Managers

## WHAT IS POSITION MANAGEMENT?

Position Management is what you as a manager do when you recommend or decide such things as:

1. How your organization will be structured.
2. How many people will be needed to accomplish the work.
3. Types of positions needed.
4. The duties and responsibilities to be included in positions.

What should you consider before making those decisions? These are the questions this pamphlet covers.

The objective of Position Management is a balance between Economy and Effectiveness.

Things to consider in developing such a balance:

1. Mission  
Can you produce a high quality job on time?
2. Work Simplification  
Are you using the best work methods and techniques? Is unnecessary work being performed?
3. Availability of Personnel  
Can you obtain the employees need?  
Will extensive re-training be needed?
4. Utilization of Employees  
Are employees utilizing their full capabilities? Have you set qualification requirements to high?

5. Career Opportunities

Does the organizational structure provide opportunity for advancement? Do you have dead end jobs? Are jobs so narrow there is no room for growth?

6. Motivation

Do your employees want to do their best work? Is the work challenging?

7. Availability of Funds and Ceiling

Are you working with the controls established by higher authority? Is your organization built around projections rather than approved mission and resources?

Many of the problems you face as a manager are tied to weaknesses in organization and job design.

What are some of these problems?

1. Bottlenecks
2. Red Tape
3. High Employee Turnover
4. Recruiting Difficulty
5. High Error Rate
6. Excessive Number of Grievance Cases
7. Employee Cliques
8. Difficulty in Demonstrating Personnel Needs.
9. Unmanageable Backlogs

WHAT ARE SOME OF THE WEAKNESSES  
OF ORGANIZATIONAL DESIGN?

Questions to Ask When Developing or Changing-  
Your Organization.

A. FRAGMENTATION

(Unnecessary splitting of an organization  
into small elements)

What Problems Are Created By Fragmentation?

1. Small units become so specialized that they restrict employees potential development and contribution.
2. Communications between units are restricted and action slows down.
3. Creates confusion regarding who is responsible for an activity.
4. Creates delays in obtaining decisions.
5. Makes fluctuations in workload difficult to manage.

1. Are all the organizational elements necessary?
2. Do they improve efficiency and economy of operation?
3. Do they restrict the development and growth of employees?

B. EXCESSIVE LAYERING

(Too many levels in the chain of command)

What Problems Are Created?

1. Ideas or products have difficulty moving since they must be reviewed and restated by each supervisor.
2. Top management is often unaware of how decisions were made at lower level.

3. Controversy on important issues does not always reach the boss's attention.
4. Lower level supervisors and employees are too restricted in what they can do and become frustrated.

#### Questions To Ask When Establishing Command Levels-

1. Are all supervisors actually needed to plan and guide the work?
2. Has authority been delegated as far down the line as it should be?

#### C. UNNECESSARY POSITIONS

(Special Assistants, Deputy Chiefs, <sup>AIDES</sup> Aids, etc)

1. Full assistants, deputies and the like add another level to the chain of command.
2. This creates delays in decision-making and increases the possibility of duplication of effort.
3. Tend to create staff/line conflicts.

#### Questions To Ask When Considering This Type of Position-

1. Does the workload call for two people at the top?
2. Is the Chief absent a lot of his time and binding decisions must be made during his absence.
3. Could staff assistant and Deputy functions be handled by line organizations.

#### D. NARROW SPAN OF CONTROL

What Problems Are Created By Unnecessary Positions?

Activity  
of (activity)

What Problems Are Created By Narrow Span of Control?

1. Stifle initiative and discourages individual development.
2. Limits opportunity for career development.
3. Results in excessive overhead expense.

Guidelines To Be Applied When Judging Span of Control-

1. Elements should have a minimum of four positions in case of technical positions and many more in case of non-technical positions.
2. Generally a horizontal flat organization is more economical and efficient than a tall structure with many echelon.

3. Can you eliminate or automate highly routine duties.

B. MIXING OF HIGH LEVEL AND LOW LEVEL DUTIES

What Problems Are Created By Improper Mix?

1. Improper utilization of skills and abilities.
2. Excessive cost to accomplish work.
3. Creates employee dissatisfaction.

Question To Ask When Designing Position-

1. Are duties grouped according to knowledges, skills and training required?
2. Are all duties of the position at approximately the same grade level?

WHAT ARE SOME OF THE WEAKNESSES  
OF POSITION DESIGN?

A. Narrow Jobs

(Limited to one or two duties or tasks)

What Problems Are Created By Narrow Positions?

1. Employee interest is destroyed.
2. Creates dissatisfaction, grievances, poor attitudes, etc.
3. Limits flexibility of employees.

Questions To Ask When Designing Positions-

1. Is work designed to attract and motivate capable employees?
2. Can duties be rearranged to give more variety and improve job interest?

Now you have completed the organization of positions and functions of your office. Ask yourself the following questions:

1. Have I eliminated all unnecessary work?
2. Am I using the most efficient work methods and techniques?
3. Does my organizational structure reflect the division of duties and lines of authority under which I plan to operate.
4. Have I avoided unnecessary mixing of high level and low level duties  that require unrelated knowledges and skills?
5. Do all my positions contain sufficient duties to gainfully employ the number of persons I plan to assign to them?
6. Have I eliminated all unnecessary positions such as deputies, special assistants,

staff assistants, etc?

7. Does my organizational structure and position design provide for career development of employees?
8. Have I organized the work in such a way that it will be challenging to employees?
9. Have I eliminated all small organizational elements?

If you can answer yes to all these questions, you have achieved the objectives of POSITION MANAGEMENT.



19 FEB 1975

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

~~CONFIDENTIAL~~OIC GRADE LEVEL MODULAR EVALUATION CODE

Category I alone where OIC contains all work modules -  
1 thru 5.

= GS-11

Combination of Category I and II -  
Comprising a majority of the work modules in each  
Category.

= GS-11

Combination of Category I and III -  
Comprising a majority of the work modules in each  
Category.

= GS-11

Category III alone where OIC contains all work modules,  
manages four (4) or more subordinate Telecomm Spec's,  
and supporting a sizeable U.S. Delegation engaged in  
very sensitive matters.

= GS-11

Responsibility for Categories I, II, III, and IV -  
Comprising a majority of the work modules in each  
Category.

= GS-12

LEGEND (Reference OP/PMCD OIC Functional Check Sheet)

25X1A

Category I - STAFF COMMUNICATIONS

Category II - COVERT COMMUNICATIONS

Category III - SPECIAL COMMUNICATIONS SUPPORT

Category IV - OTHER

~~CONFIDENTIAL~~

25X1A

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Next 2 Page(s) In Document Exempt

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

This includes positions where the basic responsibility is for planning, developing, and directing programs or managing organizational entities. (Factor Ranking with benchmark positions and point values.)

#### FACTOR I - JOB REQUIREMENTS

This factor measures the level of knowledge and skills required to perform the activities of the position.

Knowledge is viewed as the range of information or understanding of a subject or variety of subjects necessary to the function. Consideration is given to the amount of knowledge; in addition, consideration is also given to the breadth of knowledge (various types required) and the depth of knowledge (extent of both comprehensive and detailed understanding of a specific subject). The actual knowledge requirements are of singular importance. Knowledge is viewed as the combined result of formal education, experience and training; how the knowledge is acquired is significant only if it serves to clarify the range or depth of the knowledge requirements.

Skills to be considered are those needed to apply acquired knowledge, or natural or developed abilities, to the activities and functions of the position. Examples of the kinds of skills which might be required are:

- Analytical skills, or the ability to define problems precisely and to identify and combine relevant facts objectively and in perspective.
- Creativity, or the ability to develop or produce new concepts, techniques or programs through imaginative or innovative skills.
- Initiative, or the ability to take action with a minimum of prompting.
- Judgment, or the ability to reach rapid and sound decisions.
- Leadership, or the ability to plan and coordinate the activities of subordinates.
- Persuasiveness, or the ability to influence others to act favorably and the ability to maintain constructive relationships.
- Planning skill, or the ability to identify the steps necessary to reach objectives and to define practical courses of action.

#### FACTOR II - DIFFICULTY OF WORK

This factor measures the complexity and difficulty of the assigned activities. In measuring the above elements, consideration is given to:

- The scope and variety of activities measured in terms of the breadth of responsibilities and the number of different types of programs.
- The types and frequency of the problems encountered and of the decisions necessary to resolve them.
- The intensity of the demands on the position.
- The extent to which the position is responsible for planning and policy formulation.
- The magnitude of the assigned activities measured in terms of financial and manpower responsibilities.

#### FACTOR III - RESPONSIBILITY

This factor measures the impact of the results of decisions and actions and the extent to which the position can influence or affect results. In evaluating impact, consideration should be given to:

- The significance of results on the public, the economy, and the management of the Government.
- The magnitude of the position's impact or influence on results.
- The type of impact - whether direct or indirect.
- The extent of the position's decision-making latitude or authority to act independently, and the ability to commit resources.

Direct impact is generally considered at a higher level than indirect influence, and influence or responsibility for results continuing over a long term is considered to be of a higher level than influence or responsibility for near-term or one-time results.

#### FACTOR IV - PERSONAL RELATIONSHIPS

This factor measures the need for the ability to meet and deal effectively with people. In analyzing positions on this factor, elements to be considered include the purpose and frequency of the relationships and with whom the relationships must be maintained.

In measuring the relationships requirements of a position, prime consideration is given to:

- The scope of the relationships in terms of whether they are confined to the immediate organization, the particular agency, or outside organizations representing Government or private business and industry.
- The level of contacts, the extent of controversy involved, and the importance to the organization of having the required relationships established and maintained smoothly and effectively.
- The nature of the relationships in terms of their effect on the success or failure of the organization's programs.
- The relative frequency of relationships requiring interpretive skills.

G

SUPERGRADE ADMINISTRATION - AN ALTERNATIVE SUGGESTION

In the continuing search for a better way to administer supergrades, the prime motivation always seems to be in general terms to provide "the manager" a greater degree of flexibility in the utilization of his executive manpower. In point of fact, with the "black duck" and "blue goose" rules in effect, the manager already has that flexibility because he can, and does as his needs dictate, assign supergrades to non-supergrade positions and non-supergrade executive talent to supergrade positions. However, in the former case he has the problem of justifying or rejustifying this "apparent waste" of high level manpower and in the latter case he may have two problems: (1) why these non-supergrade officers should be occupying supergrade positions when some supergrades are assigned to lower level positions, and (2) why some of these non-supergrade officers should be given higher graded responsibilities when under the ceiling restrictions at any given point in time it is clear that they can not be rewarded with promotion.

The following suggestion which might best be applied in the first instance, and on a trail basis of course, to overseas stations will not solve all supergrade administration problems. However, it might serve to "legitimize" what is currently being done under the "black duck - blue goose" modus operandi and in so doing permit a greater flexibility in the utilization of executive talent. One basis for the proposed plan is the recognition that when one looks at salary levels that would be in effect were it not for the current "supergrade freeze," it is not unreasonable to ask whether all GS-18 or GS-17 or GS-16 positions are really equal. Asked differently, is the position of Associate Director, for example, really worth no more than a subordinate division chief or office head position? Assuming there is a real difference both in terms of basic responsibilities and worth to the Agency and applying this reasoning to a "new look" at supergrade positions overseas, it is suggested that overseas stations be divided into a series of classes predicated on their worth to the Agency's overall mission and the level of executive talent needed to head their operations.

Using the October 1974 pay scales "that might have been," a breakdown of stations by class might reflect something like this:

Class 1 Station	- \$44,000 to \$46,336
Class 2 Station	- \$40,000 to \$43,900
Class 3 Station	- \$36,000 to \$39,900
Class 4 Station	- \$32,000 to \$35,900
Class 5 Station	- \$28,000 to \$31,900
Class 6 Station	- \$26,000 to \$28,900

Recognizing that although "positions" under this scheme could be accorded "dollar value limits," the officers assigned would still be "graded" under the General Schedule. This would mean that the above noted Class I Station could accommodate a senior GS-17 (GS-17, steps 4 and 5) or a GS-18 as Chief and a Class 4 Station could be headed by a senior GS-14 (GS-14, steps 9 and 10), a middle level GS-15 (GS-15, steps 4, 5, 6 or 7) or a junior GS-16 (GS-16, steps 1 and 2).

For budgeting purposes a Station would be funded for one position at the top step of the highest and one position at the top step of the lowest grade of officer eligible for assignment under the Station's executive salary limits. In terms of actual assignments, the Chief of Station could be an officer at any grade within the salary class and the Deputy would be assigned at one grade below that of the Chief.

Under the terms of this plan, the DDO, with Comptroller concurrence for budgetary purposes and DCI approval, would determine the "class" of each overseas Station. (The same procedure would be used to change a Station's class as circumstances require.) To help ensure the desired uniformity and/or equity in the application of the "class system" contemplated and to provide a mechanism for overall Station staffing changes as circumstances dictate the need for change in a Station's class, it would be hoped that PMCD, acting in concert with the necessary elements of the DDO, could create appropriate staffing patterns and/or straight-line tables of organization for each class of Station.

This suggested plan is obviously not the final answer to problems of supergrade administration. However, it would encourage a different and harder look at the worth - in terms of dollar value and contribution to the Agency's overall mission - of some positions; it would provide a greater degree of flexibility - without the need for multiple or continuing "justifications" - of officer assignment; and it would stimulate a closer and more meaningful cooperation and understanding between the Office of Personnel and the operators in the creation of a more uniform and equitable evaluation of the staffing, in terms of numbers, levels and skills, necessary to support the mission and responsibilities of, in the first instance, overseas installations.

APPENDICES

APPENDICES

- A. History Highlights 1949 - 1974
- Position Management
  - Position Classification
  - Administration of Supergrade Personnel
- B. Comparison of Executive Pay and Supergrade Positions in Selected Agencies
- C. Comparison of Senior Positions and Incumbent Grades of the
- D. Comparison (Industry - Government - Agency) of Pay Scales in Computer Related Activities
- E. Trends in Federal Personnel Policies
- F. Comments of Federal Officials on Impact of Average Grade Controls
- G. <sup>P</sup>Compilation of Source Documents

25X1A



Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

HISTORY HIGHLIGHTS

1949-74

- Part I. Position Management Functions
- Part II. Position Classification Functions
- Part III. Administration of SuperGrade Personnel

25X1A

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

1 Aug 75

SECRET

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Part I. Position Management Functions, 1949-75

Definition: Position Management is concerned with organizational structure, alignment of functions, number of positions at different skill levels, occupational levels required to carry out missions, ratio of professionals to clerical, number of supervisors to work force, overlapping or responsibilities.

1949 - 1961

Requests for Tables or Organization or changes thereto, which presumably took into account the position management functions as outlined, were prepared by the line command and submitted to the Management Staff of the DDA or later DDS. The actual process was described by Col. Lawrence K. White during his 26 July 1971 interview for the Oral History, Tape 18.

The Agency grew so fast that people really made out their own T/O's and put down what they wanted. There was not very much external pressure and no real authority within the Agency to control manpower. 25X1A

25X1A It was the old management staff, which was set up originally under [ ] and Hillenkoetter with [ ] as the head of it, that was supposed to decide how many people we needed and the Personnel Office did not have very much to say about that. Their job was to decide on the grade allocations based on the number of people and the way they were going to be organized. So, for many years the Management Staff would recommend the organizational structure and strength and the Personnel Office would make recommendations on the classifications. Although the process was not too effective, we rocked along this way up to the McCone administration (1962).

1961 - 1962

In May 1961, the CIA Management Staff was abolished leaving the position management function, which had never been exercised very vigorously, adrift. In its place a manpower control function began to be exercised by the Planning, Programming and Budgeting Staff (PPBS) later OPPB, which was concerned with ceilings and strength, but not T/O's. 25X1A

25X1A JJW Note: While the Management Staff function at Agency level was abolished, the position management function was carried on at a lower organization level. T/O requests, which might be co-ordinated in a routine fashion by the component Personnel Officer, would be decided originally by the Division Chief or Office Head. They would then go to the Directorate level to be massaged by the Management Chief in DDI [ ] and later 25X1A [ ] or Admin Chief, DDO [ ] or to a lesser degree the Chief of the CS Personnel Staff [ ]. In the DD/S&T, the DD himself, at least in the days of Bud Wheldon, entered virorously into the position management function at the time of ceiling allocations. Col L. K. White, as DDS and later Ex-Dir/Comptroller exercised a strong and decisive role in disputed T/O requests. 25X1A

SECRET

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X1A

1965 - 1973

On 25 January 1965, the DDS (at that time Col. L. K. White) approved the OP proposal to augment the Agency's position classification program with staff responsibility for position management. At this time the name was changed to the Position Management and Compensation Division (PMCD), OP from the Classification and Wage Division (CWD). The current Chief, PMCD [ ] described the state of the function during an interview for the OP Oral History on 9 May 75. Tape 46.

The abolishment of the Management Staff in 1961 left a hiatus in the management function of the Agency, obviously a necessary function. Since the present PMCD was the only organization that had current organizational information and was in a position to make changes in organization and did so ... the logical place for the management function was in PMCD. So in 1965 the title was changed to Position Management and Compensation Division from Salary and Wage Division. PMCD was never formally given the management function. It was however accepted and performed as a normal function because it was necessary that it be done and PMCD did it. You can say the PMCD has a 'de facto' management function and not a 'de jure' one.

1973 - Wm. E. Colby abolished the Ex-Dir position in Sept 1973 when he became the DCI, leaving the D/Pers as the position management arbiter.

25X1A

1965 - 1973

On 23 January 1965, the DDS (at that time Col. L. K. White) approved the OP proposal to augment the Agency's position classification program with staff responsibility for position management. At this time the name was changed to the Position Management and Compensation Division (PMCD), OP from the Classification and Wage Division (CWD). The current Chief, PMCD, [ ] described the state of the function during an interview for the OP Oral History on 9 May 75. Tape 46.

The abolishment of the Management Staff in 1961 left a hiatus in the management function of the Agency, obviously a necessary function. Since the present PMCD was the only organization that had current organizational information and was in a position to make changes in organization and did so ... the logical place for the management function was in PMCD. So in 1965 the title was changed to Position Management and Compensation Division from Salary and Wage Division. PMCD was never formally given the management function. It was however accepted and performed as a normal function because it was necessary that it be done and PMCD did it. You can say the PMCD has a 'de facto' management function and not a 'de jure' one.

1973 - Wm. E. Colby abolished the Ex-Dir position in Sept 1973 when he became the DCI, leaving the D/Pers as the position management arbiter.

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Part II. Position Classification Function, 1949-75

Definition: Position Classification determines how the position is to be classified - where it fits into the classification plan that applies to it and to other positions like it, and what its title and pay level should be under that plan. The position classification process must be preceded by position management decisions. In CIA, the position classification function has always been centralized since 1 Dec 1950 in a specialized division of the central Office of Personnel.

1949 - 1952

25X1 In August 1949, the Civil Service Commission ruled that, by terms of the CIA Act of 1949, the Agency was not required to follow the Classification Act, and that the Commission as a matter of law was not required to enforce the Classification Act within the Agency. CSC withdrew its representative, [redacted]

The DCI (RADM Hillenkoetter USN) acknowledged with the statement that, 'You may be assured that in our internal personnel administration we will be governed by the basic philosophy and practices of the Classification Act of 1949, the CSC allocation standards, the pay scales, the within grade salary advancement plans, and the pay rules of the Classification Act as they may be amended from time to time, in substantially the same manner as provided for other Agencies'. The Classification Act of 1949, which was signed by the President on 28 October specifically exempted CIA and a November 1949 decision of the Comptroller General of the United States further confirmed the DCI's authority over Agency position classification and pay activities. The policy of following the concepts and principles of the Classification Act has never changed being restated as late as 19 March 1975

25X1A in Agency Regulation [redacted], Position Evaluation.

On 1 December 1950, CIA Regulation established a central Office of Personnel under the newly created Deputy Director of Administration with a Classification and Wage Division (CWD) to furnish classification, wage and salary services.

1952 - 1953

Culminating almost two years of work, a Classification approved T/O for the OSO-OPC merger was issued in Dec 1952, one which made nobody happy. The cause was described by Agency historian, Ludwell Montagu:

Another factor in OSO's antipathy toward OPC was that OPC was born rich while OSO remained relatively poor. That was true not only of Office budgets but of personal pay. Since the establishment of the OSO grade and pay structure, there had been a general inflation in such matters. In order to recruit OPC had to offer higher grades than were available in OSO for similar work. Thus the amateurs' in OPC were, generally, better paid than the professionals in OSO.

25X9 In June 1953, the Management Staff (responsible at that time for position management) and the Classification and Wage Div, OP began a joint effort to reconcile T/O's [redacted]. CWD caught most of the resulting flare-up and most of the criticism in a Dec 1973 IG report as being inflexible and Civil Service oriented. Said the IG:

"There is no question but that a classification system is required. It is also agreed that the Civil Service Wage Scale is acceptable. What is required is perhaps a classification system tailored exclusively to the requirements of CIA."

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

1954

Director of Personnel, George Meloon, who had an extensive background in classification attempted in 15 January memo to stem the tide of criticism while deploring the lack of understanding among Agency components of the purposes of classification:

Any proposal to revise the Agency's current classification system should receive very careful consideration in relation to the technical and administrative problems involved. In this connection, the Atomic Energy Commission, which because of its security requirements was also exempted from the Classification Act of 1949, found itself in serious difficulty with the Congress when it failed to administer its classification plan in accordance with the basic principles stated in that Act.

25X1A

In October 1954, [redacted], Assignment was issued authorizing the temporary assignment of employees to positions of higher or lower grades than held, to meet operational requirements. The flexible T/O concept was also introduced allowing double slotting in certain designated positions which were not one of a kind. 'Black Duck' and 'Blue Goose' and other rare birds flew into the Agency's administrative vocabulary.

1955

25 February

Another I.G. Memo entitled Ten Ways to Improve Personnel Management in the CIA was particularly critical of classification practices repeating the accusations of Civil Service Commission orientation. The central Office of Personnel hit bottom with this report.

7 March

Director of Personnel named a Task Force chaired by the Deputy Chief of the Position Evaluation Division (PED) to recommend a revised Personnel System for the Agency. The revision was to be concerned with the development of an up-to-date classification and compensation system with strong consideration of how such a system would effect the operational side of the house. It's deliberations were to consume more than two years although piecemeal adoption of some recommendations took place in the interim through normal personnel channels.

28 March

Chief, Management Staff, who was then responsible for position management as such, introduced and secured DDS approval for the Man-In-Motion concept borrowed from industrial manpower control systems. Productive people, that is, people who were gainfully employed, would be separated on the T/O from those in training, in a travel status, between assignments, etc. Also proposed was flexibility for the operating officials to move positions from one component to another to meet changing work load conditions. The DDS referred this proposal to the Director of Personnel who assigned the subject of change in the T/O structure to the Chief, Classification and Wage Division for study.

April 1955

The DDP, Frank Wisner, sent a Memo to the DCI in response to the I.G.'s ten point program for improving CIA personnel management. The Memo which is quoted in part below dealt a death blow to position management and classification as practiced to date:

From our point of view our greatest single handicap, apart from managerial inexperience which is slowly being remedied, is the rigidity of the slotting system. The Agency's principal concern with slotting in any single component is the maintenance of the overall ceiling; it cannot be with the precise, permanent job description, grade, etc., of each individual slot, as might be possible in a stable situation or in an agency whose job remains fixed from year to year. In this Agency the nature and size of the job change so rapidly that no T/O can ever be up-to-date. Operating within a fixed but out-of-date T/O we are forced into compromises which overwork manpower in one place and waste it in another and altogether do not get the job done. What we need in the Clandestine Services is flexibility within a total strength figure, so that slots can be shifted as the need changes. Making these shifts, which arise from operational necessity, should be an operational function, not an administrative. It should be within the power of this Office, not DD/S, Director of Personnel, or other officers, to control the distribution of his manpower within the ceilings allotted to him. If we could shift slots immediately according to need we would not only do our operational job better; we would also improve our personnel management, in assignments, in career development, even in initial recruitment.

July

To end the Classification and Wage stigma, the Director of Personnel changed the name to Position Evaluation Division. PED as a title was to last three years.

1956

May

Factor comparison job evaluation plan for supergrade positions was developed by CWD at the request of the DDS. Chief/CWD had assumed the responsibility for maintaining records, ceiling, classification and studies on supergrade positions as directed by the DDS in 1952. Pilot project to establish an Agency manpower control system was undertaken in the office of communications.

November

25X1A   Competitive Promotion approved. This Regulation authorized promotion above the grade of the employees position if selected competitively from among his peers. Introduced at a time of great chaos in T/O's, it stabilized promotion policies, a 1955 study showed that 80% of CIA employees were in grade less than two years - and was of inestimable value in bringing some order and uniformity into the Agency personnel management for seventeen years. The policy was, in theory at least, diametrically opposed to the principles and practices of the Classification Act by permitting Personal Rank Assignment (PRA).

S E C R E T

1957

April

Despite many pressures for change, the Career Council at its 42nd meeting agreed that three personnel activities should remain centralized; classification, recruitment, and personnel records.

May

Standards Branch of what was then called the Position Evaluation Division (PED) OP, was abolished and functions and personnel transferred to the operating branches of PED. During its five year life, this Branch established the Occupational Handbook of Codes and Titles within the Civil Service Schematic Outline, and developed standards and qualification requirements for many Agency overt positions. However, the detailed questionnaire developed for operations officers positions, which attempted to weight the various aspects of the jobs (PP, PM, FI, CA, CI, CE) with respect to importance and degree of difficulty was not successful. There was, it seemed, even less agreement among the DDP officials than there was among the classifiers. The standards effort was abandoned due to the impossibility of obtaining co-ordination and approvals. The standards and patterns were used internally by PED in its evaluations.

At its 43rd Meeting the Career Council voted unanimously to implement the Agency Manpower Control System. During the previous year of the pilot project in the Office of Communications OP/PED endeavored to turn the CSSA into a complete planning document. Under this concept, the Head of the Career Service would, before the beginning of the fiscal year and in co-ordination with the budget process, plan the outer limits by grade and number of positions and personnel requirements of his career service in a two way exchange with PED/OP.

25X9 A position numbering system to permit automatic slotting of personnel on revised T/O's was accomplished to facilitate computation of the CSSA, and to cut down on the approximately  personnel actions required in FY'56 by reason of T/O changes.

June

In order to cut down on time spent in reviewing individual positions, the C/PED proposed and the DDS approved the installation of standards based on the grade attraction theory for all Agency secretarial positions. This system related the grade of the secretary to the grade and organizational level of the supervisor, sometimes called the 'Gal Friday' system.

1958

March

The Director of Personnel (Gordon Stewart) obtained Council approval for a new Agency Compensation Plan developed by Position Evaluation Division, OP designed to remedy the deficiencies of the Civil Service structure. The Plan reduced all grades above GS-07 to five with extended salary ranges in each and provision for merit increases. The White House liked it but the Plan had little or no support in the Civil Service Commission and the Bureau of the Budget. Many of the provisions were adopted in the Salary Reform Act of 1962.



June 1958

25X9

Reflecting his classification philosophy away from individual actions toward over-all controls, D/Pers approved the name change from Position Evaluation Division to Salary and Wage Division (SWD). C/SWD [ ] cut his T/O from [ ] positions.

25X1A

November

Over two years after it was introduced into the Office of Communications on a pilot basis, the Agency's Manpower Control System was formally adopted with the publication of Agency Regulation [ ] Ceiling and Position Authorization. Among the several aspects of the System were the identification of positions by the Career Service designated to fill them, Staffing Complement and Development Complement, the development of the CSSA, also a Planning Paper for the coming year which was a listing of positions by occupational code and title, service designation, and designation of limited and flexible positions. For the preparation of the CSSA the Director of Personnel was to furnish the component with the number of positions and organization level as designated in the Planning Paper, number of designees to the Career Service by grade, grade distribution of development complement spaces, average attrition by grade, average promotion by grade.

1959

25X1A

February

CIA Notice (Personnel) [ ] established average grade controls for the Career Services requiring the component to lower a grade if it wanted to raise a grade. The Notice was the result of several C/SWD memos to D/Pers about the ever increasing grade levels in proposed T/O's - and of increasing pressure by the Bureau of the Budget. The principle followed was that no increase in average grade would be permitted without the permission of the DD himself. The upward tendency continued however until the Bureau of the Budget got into the picture in 1964.

25X1A

November

25X1A

A Manpower Control Program for the Clandestine Services, 6 November 1959, [ ]'s famous report on the age-grade hump among CS officers, was sponsored by the D/Pers (Stewart). The Report had more to do with people than with positions but sought to establish an optimum curve for both positions and people. The Report furnished the rationale for the CIA Retirement and Disability Act (CIARDS) of 1964, for the mandatory age sixty retirement policy and specifically for Regulation [ ] Procedures, which were attached to the Report.

December

In the Fall of 1959, SWD/OP became involved in a first class donnybrooke over the Records Integration Staff as a result of a survey. SWD, largely on the basis of comparison with jobs in the F.B.I., decided that the so called cable analysts were really clerical and not professional and thus proposed that the whole place be downgraded. Chief/RID protested in the strongest terms to the Director of Personnel, Gordon Stewart, who in his previous job as Chief, F.I. Staff, had RID as one of his major worries. SWD found itself over-ruled by its own boss, the D/Pers, and morale, already lower than a snake's belly to borrow a phrase, sagged further.

25X1A

1961

June

Numerous administrative obstacles, including objections by the Comptroller and the reluctance of the operators to put their plans on the line, caused the C/SWD [ ] to propose the elimination of the Career Service ceilings, the Career Service Staffing Authorizaiton (CSSA) and other modifications to the Agency Manpower Control System introduced so hopefully in 1958. What was left was the flexible T/O and the Career Service Grade Authorization (CSGA) which set outer limits on number of promotions.

25X1A

1962

August

[ ] Management of SuperGrade Positions/Personnel abolished the SuperGrade Review Board and transferred the co-ordination responsibility for all supergrade positions to the Director of Personnel. 25X9

DCI advised the D/BOB of his approval of [ ] Agency supergrade positions, a 90 percent increase. Positions recommended for up-grading included the Chiefs of major branches in the DDP group, the Chiefs of Support of the major division and certain overseas stations, key positions in the Office of Communications, senior positions in the Directorate of Research. The DCI Memo drew a cold response, "This 90 percent increase in your existing totals of supergrades comes as a distinct shock, particularly as it was unaccompanied by any supporting data or analysis." Eventually the matter was adjudicated on the basis of not exceeding a figure of [ ] for FY'63, 364 by FY'64, and 392 - the agreed figure - by FY'65. C/Salary and Wage Division was ordered by the DDS to develop supporting data for a decision already made.

25X9

October

Federal Salary Reform Act of 1962 signed by President Kennedy. Established higher levels for Federal Executives in consonance with industrial executive pay practices, extended in-grade promotions, provided for merit increases.

1964

April - May - June

DCI requested by the Deputy Director of the BOB to provide information on steps being taken to hold down the number and percentage in Grades 13 and above, and to maintain average grade. Latter rising despite the Federal Pay Reform Act of 1962. Executive Director Action Memorandum to the D/Pers instructed latter to take steps to reduce the head room through the Agency to lower the average grade of positions to that of a year ago. Despite a letter from the C/PPB that the C/SWD had misinterpreted the Ex-Dir memo, C/SWD went ahead with the downgrading. Henceforth upward classification would have to be compensated by downward.

August 1964

BOB Circular A-11 (Revised) placed a ceiling on all Agency positions in grades GS-14 and above at number filled in 1964. Further, beginning in FY'66 allowances for personal costs were to be based on the average salary estimated in FY'65 Presidential Budget. Ultimately BOB dropped the average salary control but kept the GS-14 and above ceiling. SWD assumed a new role as aid to management in achieving BOB objectives.

1965

January

The DDS approved the OP proposal to augment the Agency's position classification program with Staff responsibilities over position management, a function which had been adrift since the demise of the Management Staff in 1961. As a result of this approval the salary and wage mission was broadened and the name changed to Position Management and Compensation Division.

25X9

November

25X9

A ceiling of ☐ positions in the Executive Pay, Supergrade and Scientific Pay Positions was adopted with incumbency limited to ☐

1966

A triple deputy set-up was introduced into the Office of Personnel with the Position Management and Compensation Division placed under the newly created Deputy Director for Planning and Research (DD/Pers P & R), changed in 1968 to Deputy Director for Planning and Control. (DD/Pers/P&C)

25X9

1967

July

Bureau of the Budget (BOB) agreed to a S.G. ceiling of ☐ Agency was advised that in the future the annual review was no longer to be considered. In the future, said BOB, S.G. position and ceiling were to included in the PPB five year budget cycle.

1969

25X1A

July

☐ abolished the Project Review Committee which had reviewed the establishment of clandestine projects. The long established responsibility of P&C and its predecessors to review the proposed T/O in terms of the soundness of position structure and grades or salaries was continued as was the review of existing projects as changes occurred.

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

1970

25X9

July

While there were no spectacular events in the FY 1970 report of the Position Management and Compensation Division, the ceiling reduction caused increases in the daily work. Forty-six planning papers with a total coverage of [ ] positions were reviewed, a revision was made to the Agency's Handbook of Occupational Titles and Codes, thirty-two surveys were undertaken, and the documentation of some 1/3 of the Agency's positions accomplished with reference to the changes in the staffing complements (T/O's). A continuing review of the government wide study of position evaluation systems was maintained.

1971

August

The Administration (OMB) ordered a five percent reduction in Agency manpower strength in Fiscal Year '72 (1 July '71 to 30 June '72) and a one tenth roll back in average grade in FY '72 and '73. Studies in which PMCD/OP took a subordinate part were furnished to the Director of Personnel. These studies established the difficulty of meeting the cutbacks without suspending promotions and separating hundreds of Employees. As a result the Office of Management and Budget (OMB) successor to the Bureau of the Budget permitted the Agency to accomplish the five percent reduction in two fiscal years.

1973

25X9

March

The program of cutbacks, the so-called Schlesinger Slash, was formally announced to the employees. In addition to normal attrition, some [ ] employees would be declared surplus excess to Agency requirements in FY 1973. The cutback implied numerous T/O changes involving average grade restrictions, which, because of the pressure of time, could not be made simultaneously.

July

Two major personnel and manpower programs were announced. The Personnel Development Program (PDP), was a systematized approach to employee development and succession planning. The Annual Personnel Plan (APP) covered Manpower Analysis and Personnel Management Goals for the fiscal year ahead and was designed to give top management a model against which they could measure component performance in the specified areas of personnel management. Classification of positions was not included.

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X1A

1974

25X1A

April

Employee Bulletin No. 597 announced the program of "New Approaches to Personnel Management." Classification was not mentioned specifically in the sixteen point program. The new statement of Agency personnel policy in [ ] did include the reference to 'adherence to Federal personnel policies and statutory requirements applicable to Agency activities.

[ ] announced the Letters of Instruction policy. Each employee was to be given a letter covering the requirements of his job as a means of improving two way communication between employee and supervisor. Questions were raised concerning the relationship of LOI's to official position descriptions and were answered by pointing out that the LOI does not cover the full range of duties but establishes selected priority objectives. Job descriptions would be continued.

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

SECRET

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Part III. SuperGrade Administration, 1952-75

Definition: Supergrade administration includes the staff function of classifying positions, preparing recommendations for the DCI on promotions, administering ceiling allocations and Personnel Rank Assignments, and reporting.

25X9

1952

Early in 1952, with a supergrade ceiling of [ ] the Assistant Deputy Director for Administration (A/DDA), then Colonel White, suggested - and the DCI approved - the basic policy of subjecting supergrade positions to all the procedures applying to standard grade positions -- including documentation by functional statements, charts, and position descriptions to be prepared by the Director of Personnel. Also in 1952, the D/Pers was made responsible for maintaining records on incumbencies, ceiling, and positions, and for supporting data required to maintain comparability with the rest of the government. D/Pers named the Chief of the then Classification and Wage Administration, [ ] responsible to him and to the DDA/DDS for this effort. [ ] retained this responsibility for the next twenty years even after he was made Deputy Director of Personnel for Planning and Control in 1970.

25X9

25X9

1954

In January 1954 the Personnel Office was moved from its position under the Deputy Director of Administration (DDA), where it had been lodged along with the Office of Security, the Comptrollers Staff and other offices concerned with management matters, to the Office of the DCI where it assumed a position similar to that of the Office of Training. General Cabell, the DDCI, hoped to give more personal attention than previous DDCI's to personnel management including supergrades and felt that the move would make direct communications and supervision easier. The arrangement, to which the powerful A/DDA Col. White was bitterly opposed, did not work. It only lasted one year after which the Office of Personnel and OTR and Commo were all placed under the newly constituted DDS with L. K. White as the DDS.

During this period, the SuperGrade Review Board, chaired by General Cabell, introduced the concept of temporary promotions for supergrades. As time went on, it was found that anybody who ever got a temporary promotion was never reduced so it became a meaningless exercise and was eventually dropped.

1955

The Office of Personnel, specifically, the Chief, Classification and Wage Division obtained approval for the factor-comparison method of classifying supergrade jobs, which served for almost a decade to provide a rationale for establishing supergrade positions both internally but more important with the Bureau of the Budget.

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X9

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

25X9

25X9

1962

In 1962, with a supergrade ceiling of [ ] and with Agency strength holding at around the [ ], there occurred what the OP history called a supergrade explosion. The Director of Personnel, responding to strong demands from the DDS and less strong demands from the DDP and the DDI, submitted for approval by the DCI some [ ] supergrade allocations. The positions recommended for up-grading included the Chiefs of Support of the major divisions and certain overseas stations, the Chiefs of major branches in the DDP area divisions, key positions in the Office of Communications, senior positions in the Directorate of Research. There were a number of forces at work which were beyond the control of the Classification and Wage Division and the D/Pers. Col. White, the DDS, wanted to award the cadre of support officers that he had been nurturing for a decade or more. A 1962 Task Force on Personnel Management felt that the poor morale and dissatisfaction following the 701 program and the Bay of Pigs fiasco could be offset by opening up promotion so as to break the blockage down the line. The Clandestine Services, which had been slighted in the original allocation of supergrade positions were anxious to bring their grades up to the level of the Foreign Service which had many FS01 and 2 positions - - equivalent to supergrades.

The proposal caused consternation in the Bureau of the Budget which at first refused to believe that the DCI had approved it. Eventually they went along - Robert Amory was Chief of the Intl Div, but only to a pro-rated increase over three years.

25X1A

August

The staff responsibilities of the D/Pers in supergrade administration were increased by [ ], Management of SuperGrade Personnel, dated 31 August 1962, which abolished the SuperGrade Review Board and transferred the co-ordination responsibility for all supergrade actions to the Director of Personnel, where it has since remained.

25X9

25X1A 'One consequence of the expansion,' said [ ] in a 1971 interview for the Oral History, 'was the end of previous attempts to get the number of positions and the ceiling the same. They have never been equalized which has lead to difficulties with the incumbents. Everyone sitting in a SG position can't be accommodated. Conversely,' he said in 1971, 'there are some [ ] supergraded people holding Personal Rank Assignments in lesser or lower graded positions. 'The cheapening of the grade structure, he said, which does not occur at supergrade level only - we have some middle grade levels, 11, 12, 13 - in the long run leads to morale problems. We must try to give our people work promotions and responsibility promotions at the same time that we give them pay promotions and status promotions.'

25X9

25X9

1969

In 1969, Agency executive positons were incorporated into the Planning Programming and Budget (PPB) mechanism with the Bureau of the Budget exercising a controlling role in approving supergrade ceiling latter set at [ ] with a scientific pay schedule (SPS) ceiling of [ ] for the Agency through FY 73. The Director of Personnel retained his supportive role in the administration of these positions.

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

1973

The so called Schlesinger Slash reduced the agency strength by over [ ] in one year. The cuts were not taken proportionately as described by Harry Fisher, D/Pers during this period.

25X9 There was a tendency on the part of components to take their cuts at the very lowest levels. To control this to some extent, I was backed up by Colonel White in insisting that cuts be taken at the average grade. This did tend to require a balancing number of 12's and 13's to offset the 4's and 5's. I must admit however that very few of the supergrade positions were cut at that time which sort of brings me to the supergrade problem. I used to deal with that problem both with Col White and later with Bill Colby. It always bothered me that we had significantly larger number of supergrade positions than we had ceiling for promotion from the Office of Management and Budget (OMB). This created a false sense of the number of supergrade positions. There were always of the order of [ ] supergrade positions on the books which would never have supergrade occupants, because the ceiling for promotion which was controlled by OMB, was at a lower figure. This meant you had unhappy GS-15's in these supergrade positions. They did not realize that there was no ceilings available for promotion. This overage carried on, despite my objection, through Col. White's regime. His feeling was that if you always had additional supergrade positions on the books, you could argue with OMB that you needed the ceiling to accommodate them. Col. White and the Director took the position, and I guess legally they were right, that the Director of Personnel could establish his own grade levels and OMB did not argue with him on that point. Therefore as a matter of Wage and Class, we could say these jobs are supergrade positions. OMB's response was, 'fine, you may do that but we say that you can only have this number of supergrade ceiling.' So we lived in this kind of fantasy for a while. Shortly after Bill Colby came in (as Executive Director after Col. White's retirement in 1972) I was able to convince him -- as a matter of fact he was almost shocked to find out what the situation was -- that, although it might hurt, really we would be better off abolishing all supergrade positions above the ceiling that we had for promotion, and we did despite the wails from everybody.



1973

The so called Schlessinger Slash reduced the agency strength by over   in one year. The cuts were not taken proportionately as described by Harry Fisher, D/Pers during this period.

There was a tendency on the part of components to take their cuts at the very lowest levels. To control this to some extent, I was backed up by Colonel White in insisting that cuts be taken at the average grade. This did tend to require a balancing number of 12's and 13's to offset the 4's and 5's. I must admit however that very few of the supergrade positions were cut at that time which sort of brings me to the supergrade problem. I used to deal with that problem both with Col White and later with Bill Colby. It always bothered me that we had significantly larger number of supergrade positions than we had ceiling for promotion from the Office of Management and Budget (OMB). This created a false sense of the number of supergrade positions. There were always of the order of   supergrade positions on the books which would never have supergrade occupants, because the ceiling for promotion which was controlled by OMB, was at a lower figure. This meant you had unhappy GS-15's in these supergrade positions. They did not realize that there was no ceilings available for promotion. This overage carried on, despite my objection, through Col. White's regime. His feeling was that if you always had additional supergrade positions on the books, you could argue with OMB that you needed the ceiling to accommodate them. Col. White and the Director took the position, and I guess legally they were right, that the Director of Personnel could establish his own grade levels and OMB did not argue with him on that point. Therefore as a matter of Wage and Class, we could say these jobs are supergrade positions. OMB's response was, 'fine, you may do that but we say that you can only have this number of supergrade ceiling.' So we lived in this kind of fantasy for a while. Shortly after Bill Colby came in (as Executive Director after Col. White's retirement in 1972) I was able to convince him -- as a matter of fact he was almost shocked to find out what the situation was -- that, although it might hurt, really we would be better off abolishing all supergrade positions above the ceiling that we had for promotion, and we did despite the wails from everybody.

1974

December

Proposal by DDA (John F. Blake) circulated to Comptroller and Director of Personnel which would decentralize authority for supergrade position and personnel actions to the Deputy Directors. The Comptroller as well as the Director of Personnel would be given a supportive role. The Director of Central Intelligence would be involved only in an annual review and allocation.

1975

July

D/Pers names a study group composed of retired officers chaired by a non-personnel type to review position management and classification functions in the Agency and make recommendations.

25X9

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Next 3 Page(s) In Document Exempt

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

SECRET

	Average Salary Paid by Industry In Wash D.C. And GS Equiv.	Highest Salary Paid by Industry In Wash D.C. And GS Equiv.	Average Salary Paid by Government In Cities Such As DC, Chicago, Dayton, Detroit	Highest Salary Paid by Government In Cities Such As DC, Chicago, Dayton, Detroit	CIA Average Salary
--	---------------------------------------------------------------------	---------------------------------------------------------------------	-------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------	--------------------------

Dept Management

Manager	33,678.00	15-5	42,166.00	18 +	32,465.00	15-4	38,057.00	18 +	36,000.00	GS-18
Asst Manager	29,323.00	14-6	36,709.00	18 +	28,221.00	14-4	32,796.00	15-4	36,000.00	GS-17
Technical Assistant	25,630.00	14-1	32,024.00	15-4	24,693.00	13-5	28,662.00	14-5		
Coordinator	22,764.00	13-2	28,835.00	14-5	21,184.00	12-6	24,859.00	13-5		
Scheduler	15,929.00	11-2	18,520.00	12-1	14,276.00	10-1	16,536.00	11-3		

Combined Systems Analysis  
And Applications Programming

Manager	23,426.00	13-3	27,284.00	14-3	28,331.00	14-4	30,260.00	15-2	34,892.00	15/17
Lead Analyst/Programmer	18,961.00	12-2	22,113.00	13-2	22,929.00	13-2	24,528.00	13-5	28,993.00	14-5
Senior Analyst/Programmer	16,645.00	11-3	19,347.00	12-3	20,118.00	12-4	21,496.00	13-1	22,823.00	12/13
Analyst/Programmer A	15,709.00	10-4	18,244.00	11-7	18,961.00	12-1	20,229.00	12-4	20,923.00	12-5
Analyst/Programmer B	13,559.00	9-3	15,764.00	10-4	16,425.00	11-3	17,528.00	11-5	17,545.00	11-5
Analyst/Programmer C	11,905.00	8-1	13,890.00	9-3	14,441.00	10-2	15,433.00	10-4	14,553.00	9-5

SECRET

Average Salary Paid by Industry In Wash D.C. And GS Equiv.	Highest Salary Paid by Industry In Wash D.C. And GS Equiv.	Average Salary Paid by Government In Cities Such As DC, Chicago,Dayton,Detroit	Highest Salary Paid by Government In Cities Such As DC, Chicago,Dayton,Detroit	CIA Average Salary
---------------------------------------------------------------------	---------------------------------------------------------------------	-----------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------	--------------------------

#### Systems Programming

Manager	21,000.00		23,646.00	13-4	23,591.00	13-4	25,410.00	14-1	36,000.00	16-2
Lead Programmer	18,244.00	11-7	20,556.00	12-4	20,504.00	12-4	22,103.00	13-2	30,000.00	14/15
Senior Programmer	16,976.00	11-4	19,181.00	12-2	19,071.00	12-2	20,614.00	12-5	24,000.00	13-5
Programmer A	14,864.00	10-3	16,811.00	11-3	16,701.00	11-3	18,024.00	12-1	20,923.00	12-5
Programmer B	13,228.00	9-2	14,882.00	10-3	14,827.00	10-2	15,484.00	11-1	17,545.00	11-5
Programmer C	12,181.00	8-3	13,669.00	9-3	13,669.00	9-3	14,717.00	10-2	14,553.00	9-5

#### Applications Programming

Manager	22,268.00	13-2	32,190.00	15-3	20,890.00	12-4	25,906.00	14-2	NONE	
Lead Programmer	19,402.00	12-3	28,000.00	14-4	18,189.00	11-6	22,544.00	13-2	NONE	
Senior Programmer	16,921.00	11-4	24,473.00	13-5	15,874.00	11-1	19,677.00	12-3	24,724.00	13-5
Programmer A	14,937.00	10-3	21,551.00	12-6	14,000.00	10-1	17,362.00	11-4	20,923.00	12-5
Programmer B	12,898.00	9-1	18,630.00	12-1	12,126.00	8-3	14,992.00	10-3	17,545.00	11-5
Programmer C	11,354.00	7-3	16,425.00	11-3	10,638.00	7-1	13,173.00	9-2	14,553.00	9-5

Approved For Release 2003/12/16 : CIA-RDP79-00488A000300090007-2

Average Salary Paid by Industry In Wash D.C. And GS Equiv.	Highest Salary Paid by Industry In Wash D.C. And GS Equiv.	Average Salary Paid by Government In Cities Such As DC, Chicago,Dayton,Detroit	Highest Salary Paid by Government In Cities Such As DC, Chicago,Dayton,Detroit	CIA Average Salary
---------------------------------------------------------------------	---------------------------------------------------------------------	-----------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------	--------------------------

#### Computer Operations

Manager	16,681.00	11-3	23,040.00	13-3	18,520.00	12-1	25,024.00	13-4	28,993.00	14-5
Lead Computer Operator	13,559.00	9-3	18,906.00	12-2	15,158.00	11-1	20,559.00	12-4	20,923.00	12-5
Senior Computer Operator	11,079.00	7-8	15,433.00	11-1	12,402.00	8-3	16,756.00	11-3	14,553.00	9-5
Computer Operator A	10,816.00	7-2	13,559.00	9-3	10,913.00	7-2	14,772.00	10-2	13,192.00	8-5
Computer Operator B	8,598.00	5-1	11,961.00	7-5	9,590.00	6-2	13,008.00	9-1	11,924.00	7-5
Computer Operator C	7,606.00	4-1	10,583.00	7-1	8,488.00	5-2	11,464.00	8-1	10,737.00	6-5

#### Tab Operations

Supervisor	13,173.00	9-2	16,039.00	10-5	14,276.00	10-1	16,811.00	11-1	14,553.00	9-5
Lead Tab Oper	10,803.00	7-2	13,173.00	8-5	11,685.00	8-1	13,780.00	9-3		
Tab Operator A	9,480.00	6-1	11,520.00	7-4	10,252.00	6-3	12,071.00	8-2	11,924.00	7-5
Tab Operator B	8,268.00	4-3	10,086.00	6-3	7,992.00	4-2	10,583.00	7-1	9,632.00	5-5
Tab Operator C	7,330.00	3-4	8,984.00	5-3	7,551.00	4-1	9,370.00	6-1		

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

	Average Salary Paid by Industry In Wash D.C. And GS Equiv.	Highest Salary Paid by Industry In Wash D.C. And GS Equiv.	Average Salary Paid by Government In Cities Such As DC, Chicago, Dayton, Detroit	Highest Salary Paid by Government In Cities Such As DC, Chicago, Dayton, Detroit	CIA Average Salary
--	---------------------------------------------------------------------	---------------------------------------------------------------------	-------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------	--------------------------

Keypunching

Supervisor	11,630.00	7-5	16,315.00	11-3	11,520.00	7-4	14,386.00	9-5	11,924.00	7-5
Lead Keypunch Oper	10,706.00	6-5	13,559.00	9-3	9,535.00	6-1	11,961.00	8-1	10,737.00	6-5
Keypunch Operator A	8,488.00	5-1	11,905.00	7-5	8,433.00	5-1	10,472.00	7-1	9,632.00	5-5
Keypunch Operator B	7,922.00	4-1	11,079.00	6-6	7,827.00	4-1	9,756.00	6-1	8,608.00	4-5
Keypunch Operator C	7,055.00	3-2	9,921.00	6-2	7,000.00	3-2	8,764.00	5-1	NONE	
Tape Librarian	8,929.00	5-2	10,472.00	7-1	9,039.00	5-3	11,189.00	7-3	11,924.00	7-5
									9,632.00	5-5

ADMINISTRATIVE  
INTERNAL USE ONLY

25 August 1975

SUBJECT : Trends in Federal Personnel Policies

REFERENCES : Attached Listing

1. Three of the major trends, which can be gathered from official directives and instructions, are:

- a. Concern Over Rising Personnel Costs: This Presidential theme is repeated in both Office of Management and Budget (OMB) and Civil Service Commission (CSC) publications. OMB would take strong steps such as average grade control, promotion freeze, reduction of number of U.L. and SG's. The Civil Service Commission, through its Chairman, Mr. Hampton, has taken a stand against government wide controls as counterproductive. Instead he advocates, and he seems to have the upper hand at this time, good management practices to end the grade creep and achieve better utilization of personnel. A revitalized position management and classification program, based on new CSC standards is the Commission's main weapon. CSC calls on the Personnel Directors to assert themselves and 'get the show on the road' in their Agencies. CSC also wants Agency Heads or their immediate Deputies to participate. The Navy Department has already moved to install the new standards which means a wholesale downgrading of secretarial positions, and to pull back to the Secretary level, authority to allocate all GS-15 positions. CSC must report progress to the President periodically. (CIA responded to the CSC inquiry by stating on 28 Apr 75 that it had reported the results of its specific action relating to more cost effective personnel management directly to OMB, Mr. Lynn.)
- b. Insuring the Integrity of the Merit System: This post Water-Gate theme is propounded by the CSC in several parts, one of which is entitled, Insuring the Integrity of the Position Management and Classification System, calling for a certification by the supervisor of the job sheet.

ADMINISTRATIVE

INTERNAL USE ONLY

ADMINISTRATIVE  
INTERNAL USE ONLY

- c. Review of the Department or Agency Personnel Management System: The CSC wants the Agency Head to take a look at the entire personnel management system once a year at least. (This requirement is very similar to the DCI's review of the Annual Personnel Plan in this Agency except that the APP does not have position management and classification as one of its coverages. Instead it takes the Career Service Grade authorization as a reference point.)

2. In the writer's opinion, if the CSC 'reform from within' approach does not succeed in stopping the rise of personnel costs, then the OMB will step in with government wide controls on grade ratios, average grade and promotions. The CSC looks to the Personnel Directors to accomplish the mission. The OMB would probably look to the Comptrollers.

STATINTL

ATT

ADMINISTRATIVE

INTERNAL USE ONLY



REFERENCES

ADMINISTRATIVE  
INTERNAL USE ONLY

Subject: Current Trends in Federal Personnel Management

- Ref: 1. 9 Oct 69 FPM Supplement ~~990-1~~ 990-1, also II-109 Inst 88  
15 Dec 69: Responsibilities for Assuring Effective  
Management of Personnel Resources. Review of Personnel  
Management Programs by Agency Heads.
2. 5 Aug 71: OMB Bulletin No 72-4 of 5 Aug 71 to Heads of  
Executive Departments and Agencies. Subject: Control of  
Grade Escalation in the General Schedule. (Plan to reduce  
1/10 by end of FY'72 and 1/10 by end of FY'73) (CIA  
by reclama sought and received exemption)
3. 22 Jan 73: CSC Bulletin No. 250-1 Subject: Review of  
Agency System for Evaluation of Personnel Management  
CSC concern to establish the role of the Personnel  
Director in formulating and implementing personnel  
policies. CSC set up Bureau to review the Agencies  
performance. CIA not included in Agencies from which  
repts were requested.
4. 10 May 73: Salary Administration in Private Industry.  
A review by the Position Management and Compensation  
Division (PMCD) OP of the annual American Management  
Association survey of the subject revealed that most  
industrial corporations used a centralized system  
or were moving in that direction.
5. 7 Nov 74: CSC Bulletin No 250-5 Subject: Insuring the  
integrity of the Merit System. Section IV deals with  
integrity in Position Management and Classification and  
advises federal Personnel Directors that they should  
assert themselves more aggressively.
6. 25 Nov 74: Federal News (a private publication) reports  
that CSC Commissioner Hampton had stopped a move by the  
administration to freeze promotions stating that tough  
job classification standards will result in lower  
grades.
7. 7 Feb 75: OMB Allowance Letters and CSC Chairman Hampton  
7 Feb 75 Memorandum to Department and Agency Heads  
emphasized the President's deep concern for rising  
personnel costs in the Federal government. In the past  
ten years for a relatively stable work force personnel  
costs have doubled more than doubled to 40 billion  
dollars. The President agreed to Chairman Hamptons  
proposal that increased attention be given to good  
management practices to keep cost in line and avoid the  
disadvantages of arbitrary controls. (Average salary  
in CIA was \$9,529.00 in 1964 and \$18,647.00 in 1974.)

ADMINISTRATIVE  
INTERNAL USE ONLY

## INTERNAL USE ONLY

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

8. 10 April 75: CSC Bulletin 250-6 10 April 75 Subject: Cost Reduction in Personnel Management ~~and Chairman's Report~~ Set-up a Report Outline which the Agencies were to Follow, including personnel management initiatives taken to reduce personnel costs in FY'75 and plans for FY'76. Five areas were prescribed: Work Methods, Practices, and Productivity Enhancement. Position Management and Classification. Manpower Planning and Staffing. Employee Development. Incentive Systems.

The President, said Hampton, urges that increased attention be given to good management practices to keep costs in line and avoid disadvantages of across the board Government wide controls.

STATINTL

9. 28 April 75: Memo to Mr Hampton from CIA DDA Blake (prepared by  ) stated that we have reported the results of specific action relating to more cost effective personnel management directly to Mr Lynn, Director, OMB.

10. A series of articles by Arch Patton, a Director of McKinsey and Co. and Chairman of the Presidential Commission on Executive, Legislative and Judicial Salaries was most critical of the Federal Classification System. Two points were:

A more effective system would result from involving the line or functional managers in the evaluation decisions and having someone neutral monitor changes in job values. This would require a major overhaul of the present system, but it would sharply reduce the upward float of positions in the structure by strengthening the line managers belief in the evaluation process. When it becomes his ~~decision~~ evaluation and not the decision of some technician whose judgement he instinctively questions, the manager will tend to accept the values as established, and be less tempted to beat the system by upgrading the positions that report to him. . . . the building of a more discriminating system - one that distinguishes between the outstanding, average and poor performer - is the keystone of a more productive federal environment.

A more sophisticated method than comparability must be found for setting executive pay levels.

ADMINISTRATIVE  
INTERNAL USE ONLY

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

ADMINISTRATIVE

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

INTERNAL USE ONLY

11. Recommendations of the Personnel Director's Conference, Charlottesville, Va. April 1975: Integrity in Position Management and Classification. The Personnel Directors found that the System has been manipulated to compensate for pay problems with resulting distortion and grade creep, that managers have not accepted responsibility for position management and control, that long standing statutory and regulatory requirements surrounding Position Management and Classification are generally ineffectual. They advocated greater assertiveness by Personnel Directors, legal sanctions to the certification of job sheets,, issuance of a new Executive Order among other actions, to achieve integrity in position management and classification.

12. 1 July 75: SECNAV Instruction 12510.6, Subject: Classification of GS-15 Level civilian positions within the Dept of the Navy refers to the intended reduction of high level positions, places added emphasis on position classification as an essential personnel program, and withdraws previous delegated authority [REDACTED] to classify GS-15 positions, from all Navy and Marine Corp activities.

ILLEGIB

13. 28 June 75: Secretary of State Kissinger ordered an internal reorganization in the State Department that centralized control including annual budget, linking of personnel and funds with policy objectives, review of the allocation of all job positions in a Priorities Policy Group at the Secretary's level.

14. 19 August 75: Members of the Agency Study Group met with State Dept representatives who said that they were endeavoring to recover from a decade of decentralization, they had enjoyed some success in cutting back higher level FSO positions that were not occupied, their classification people (EXEM PPMD, Position and Pay Management Division, PPMD) had no control over the numbers and kinds of promotions in the Foreign Service area, they had been severely criticized by the CSC for their linkage of FSO and GS grade levels and for their failure to get into the manpower utilization field. Two other exempt agencies were interviewed. NSA was found to have their own program under the Personnel Director though DOD establishes ceilings for super-grades and establishes average grade controls. NSA has developed its own position standards and operates on a centralized basis. The Energy Research and Development Administration (formerly AEC) operates its own classification program without any external post audit or review. Their's is a completely decentralized system with delegation of classification authorities to the operators. The central Personnel Office establishes standards and reviews proposals and occasionally audits. There are only two or three positing classifiers as such.

ADMINISTRATIVE

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

INTERNAL USE ONLY

ADMINISTRATIVE  
INTERNAL USE ONLY

15. July '75. Panel on Federal Compensation, Room 210, 1730 K Str N.W., Washington D.C. 20006. Chaired by Vice President Nelson Rockefeller with CSC Chairman Robert Hampton as vice chairman. This panel has not as yet reached its findings. At the panel's first meeting 26 June 75 Rockefeller stated his belief that federal pay must remain competitive with industry salaries in order to retain and attract the best possible people. Hampton said, 'There is no thought of turning back the clock on federal pay. This would not only be silly. It would be self defeating'.

ADMINISTRATIVE

INTERNAL USE ONLY

SECRET

ADMINISTRATIVE - INTERNAL USE ONLY

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

COMMENTS BY VARIOUS (UNIDENTIFIED) FEDERAL AGENCY

OFFICIALS ON THE IMPACT OF AVERAGE GRADE CONTROLS

1. PERSONNEL DEVELOPMENT PROGRAMS

- a. The average grade control and reduction is incompatible with programs like Upward Mobility, the "Staff Development Program," and the "Executive Fellow Program." If the participants are not going to be built up for a great let down, management will have to do a lot of juggling to keep down the average grade.
- b. The development program for technicians becomes impossible to administer under a rigid average grade control. Hiring for a GS-4 (with 2 years of college or equivalent) with commitments to GS-5 in 3 months, GS-6 in 1 year, and eventually a top of GS-10 or 11.
- c. Development program for engineers is frustrated by average grade controls. This program starts with hiring at grades 5 and 7 with automatic commitments up to GS-11.
- d. Average grade control has forced the elimination or at least the curtailment of the agency career development program.
- e. Career ladder promotion commitments are not being met, leading to considerable frustration and, in many cases, the loss of the best qualified people.
- f. Career ladder commitments have been delayed in many cases and have forced continued vacancies at the GS-11 and 12 levels; regular promotions have been generally dropped.
- g. Average grade controls lead to unsound personnel staffing practices.

ADMINISTRATIVE - INTERNAL USE ONLY

2. UNDERRECRUITING

- a. To improve the average grade picture, the agency undertook extensive recruiting at the GS-5 level instead of GS-7, which had been the practice for many years. Since other agencies were recruiting competitively for the same trainees at GS-7, the agency did not obtain the usual high-quality candidates. The results were very costly with a termination rate more than double that of the previous year.
- b. To hold down the average grade, recruitment was forced to bottom level, resulting in poor quality personnel.
- c. The agency was urged to hire GS-1's in order to meet the average grade problem. This was viewed as being totally bad personnel policy.
- d. When pushed to the limit, agencies hired temporaries at GS-1 and let higher graded temporaries go. This was bad policy and resulted in lower productivity.
- e. Recruitment of GS-2's was forced for clerical staff in metropolitan areas. This was quite unrealistic and resulted in hiring unqualified employees.
- f. Excessive recruitment at the trainee level eventually weakens the professional fabric.
- g. To meet the average grade problem, excessive hiring of part-time people at the lower grades was undertaken.
- h. To hold down or reduce the average grade, jobs are being advertised at the lowest rung of the ladder. This often means inexperienced people. These people will of course move up after training and grade juggling will begin again.
- i. People transferring from other agencies who are at the higher rungs of the ladder often cannot be hired by the agencies needing them. Many people

from agencies which are dissolving, therefore, tend to look elsewhere and experienced Government personnel are lost.

- j. To meet the average grade requirement, many jobs are filled at the training level--for example, GS-3 instead of 4 or 5--and then the agency is later faced with a need to promote.
- k. Average grade controls have forced the excessive use of subprofessionals.

### 3: JOB CLASSIFICATION STRUCTURE

- a. Filling jobs at less than the normal grade level (GS-9 instead of GS-11) while not changing the job content, weakens the classification system.
- b. The average grade control does not touch Wage Board personnel and, therefore, discriminates against the General Schedule series.
- c. Average grade controls have contributed to rigid central control of personnel classification--frustrating field administrators.
- d. The need to keep the average grade down unduly influenced the Civil Service Commission classification review of claims representatives at the district office level.

### 4: ORGANIZATION

- a. Reorganizations which would help improve production are often thwarted as there are often grade raises involved.
- b. Average grade controls are seen as causing many key positions to remain vacant, seriously handicapping the agency's management responsibilities.
- c. Pressure for lower average grade helped rationalize a reorganization which eliminated a number of GS-15's and related GS-5's

5. AGENCY MORALE

- a. Grade control is detrimental to morale. Employees don't want to accept more responsibilities in their jobs if they know there is no chance of upgrading.
- b. A definite deferment of promotions had led to very bad morale situations.
- c. Rigid average grade controls leads to managers playing games and bending rules--often using incentives awards as a substitute for deserved promotions.

6. THE IMPACT OF NO GROWTH

- a. With no recruiting, average grade goes up automatically.
- b. Lack of trainees and entrance level people in the work force is rising.
- c. During periods of personnel hiring freeze and tight personnel ceilings, attrition forces the average grade up since most of the work force is at the lower grades.
- d. Effective use of trainee levels can help to lower the average grade. However, this is sometimes incompatible with personnel ceiling requirements.
- e. Reductions to meet average grade requirements tend to hit support personnel leading to staffing imbalances.
- f. Minority hiring is sometimes difficult because of grade controls. When jobs in an area are scarce, the better educated job seekers take the Government tests and achieve high grades so that the less educated minorities are further down on the register. When grade control is combined with personnel ceilings, minorities often lose opportunities.



S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

PART I - CIA MATERIAL 25X1A

	<u>DOCUMENT LIST</u>	<u>PAGE</u>
	1. Outline Approach to Study of Personnel Management and Classification Function. [ ]'s Paper) <span style="float: right;">25X1A</span>	1-2
	2. Preliminary Thoughts on Advisory Committee Study of Position Classification and Compensation [ ]	3
	3. Monograph: Controls	4-12
	4. Definitions of Functions	13
25X1A	5. A Way Must Be Found To Meet Management Needs (some random thoughts)	14-15
	6. [ ] Report on Position Classification <span style="float: right;">25X1A</span>	16-26
25X1A	7. Discussion Guide for Top Management [ ]	27-30
	8. Criticisms - Internal [ ] <span style="float: right;">25X1A</span>	31-37
	9. Tabulation of Negative Criticisms [ ]	38-43
	10. Blake's 28 Apr 75 Letter to Chairman USCSC on Cost Effective Personnel Management with Alternatives* <span style="float: right;">25X1A</span>	44-47
	11. An Estimate of the Cost of Grade Creep - 1 Apr 75 [ ]	48-52
25X1A	12. Background Information on Grade Creep for PMC Study Compensation, 25 July 75 [ ] - 25 July 75)	53-54
	13. DDA's 10 Dec 74 Memo on Supergrades and Comments	55-74
25X1A	14. James W. Clark (OMB) 17 April 75 Memo on the CIA Personnel System. CIA has tighter control than State on grades p. 81	75-84
	15. [ ] Memo, same Subject, prepared for Clark	85-90

\*28 May 75 Ltr DCI to Director OMB committing the Agency to the establishment of internal controls to maintain and where possible reduce the average grade of our position structure and the number of authorized positions at Grade GS-14 and above was attached to separate MEMORANDUM FOR THE RECORD, 10 Sep 75 Subject: List of Agency Documents Examined, and submitted to Mr. [ ] on 10 Sep 75.

25X1A

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

PAGE

16. Tables

91-104

No. 1. Staff Employee Strength, FY 70 - 75

92

2. Ditto by Directorate

92

3. Average GS Grade by Position and Incumbent

93

4. Retirements by System, also by GS-14 and up

94

5. Reductions, Separation, Accessions

95

6. SuperGrade Position, Ceiling, Incumbent

96

7. Staff Personnel Promotions FY 72 -74

97

8. Agency Grade Distribution, Position and Personnel FY 70 - 75

98-100

9. CSGA as of 30 June 73 - 31 May 75

101-103

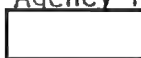
25X1A

17. Career Services as Revised 13 June 74

104

18. Agency Position Management and Classification Policies

118

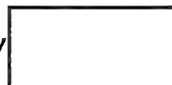


25X1A

25X1A

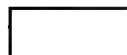
19. Where to Place Job Evaluation Authority

119



20. Job Evaluation Methods

120-122



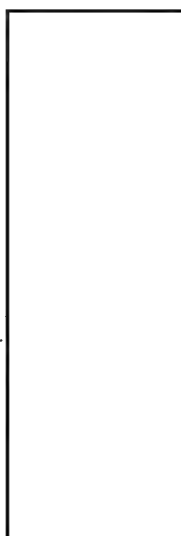
21. DCI 4 Nov 74 Memo to Chief, Audit Staff

123-124

22. Regulations

125-153

25X1A



Office of Personnel

125-127

Personnel Administration

128-130

Staffing

131-135

Position Evaluation

136-137

Management of S.G. Personnel

138

Promotion

140

Management of Personnel Ceilings  
ions

141-151

Audit of Agency Activities

152-153

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

S E C R E T

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

	<u>PAGE</u>
23. What's Been Happening, Statistics as edited by Statistical Reporting Branch/OP	154
24. Findings, Conclusions, Recommendations	155-159
What's Been Happening	155
Responsibilities	156-157
Centralized Versus Decentralized Administration	158
Improving Internal Communications	159
25. List of Agency Documents examined with reference to Proposed Policy Statement, with recommendations for change	160-161
26. Policy Statement, proposed HN, Agency Position Management and Grade Control	162-164
27. History Highlights, Position Management, Classification SuperGrade Administration	165-179

PART II - NON-CIA MATERIAL

25X1A

28. Current Developments, Federal Pay and Classification	180-182
29. Memorandum for <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span> 25 August 1975, Subject: Trends in Federal Personnel Policies	183-188
30. Report of State Department Meeting, including questionnaire	189-197
31. Department Adjusts Classification Levels in Officer Positions News Letter May 73	198-199
32. Genesis of the FA Systems	200-216
33. Position Classification Policies and Practices in the National Security Agency	219-221
34. Position Classification Policies and Practices in the Energy Research and Development Administration (ERDC)	219-221
35. Secretary Navy Instructions 12510.6, 1 July 1975, Classification of GS-15 level Civilian Positions within the Department of the Navy	222-224

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

S E C R E T

S E C R E T

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

	<u>PAGE</u>
36. Executive Pay and S.G. positions in Selected Agencies 1972-75	225-228
37. U.S. Government Executive and U.L. Positions, Dec '74	229-232
38. Employee Salaries Increased by 4.77% (State) (Includes GS and FSO Salary Table)	233
39. Government Pay Disincentives	234-235
40. Fallacies in Federal Pay Standard	236-237
41. To Reform the Federal Pay Standards	238-239

The following is a list of additional material (Agency and non-Agency) which was reviewed and returned to Plans and Control, OP, files.

Non-Agency Material

- Presidential Memo - October 1969, Responsibility for Assuring Effective Management of Personnel Resources.
- Bulletin (OMB) No. 72-4-5, August 1971, Control of Grade Escalation in the General Schedule.
- CSC Bulletin No. 250-1, January 12, 1973, Review of Agency Systems of Evaluation of Personnel Management.
- CSC July 1974 Report of Project (1971/1972 Task Force) to Develop, Test and Evaluate \* \* \* GS-1 through GS-15 Non-Supervisory Positions.
- CSC Journal Vol. 15, No. 1, July/Sept. 1974, Testing a New Approach to Job Evaluation.
- Federal Employees News Digest, New and Tougher Job Classification Standards, November 1974.
- CSC Journal Vol. 15, No. 2, Oct/Dec 1974, A Plus for Effective Management.
- CSC Bulletin No 250-5, November 7, 1974, The Integrity of the Merit System.
- Public Personnel Management, Jan/Feb 1975, Monitoring Position Classification -- Practical Problems and Possible Solutions [Gilbert A. Shulkino].
- CSC, Summary of IAG 304th Meeting, CSC Cost Reduction Initiatives in Personnel Management.
- CSC Bulletin No. 250-6, April 10, 1975, Cost Reduction in Personnel Management.
- CSC Special Report, April 1975 for 1974 Survey of Compensation Practices in Federal/State/Local Governments and Industry.
- Interagency Advisory Group, April 1975 Conference Report, Umbrella Report A. - How Personnel Can Contribute to Cost-Effective Government; Umbrella Report B. - Integrity and Quality Staffing.

~~SECRET~~

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

Personnel Directors Conference Report, June 1975, "Improving the Environment for Integrity."

Classifier's Column, Vol. VI, No. 7, July 1975, Task Analysis of the Position Classifier's Job.

Washington Post Parade, 20 July 1975, Article on Report (CSC) of State Department "Violations" of Basic Civil Service Rules and Regulations.

Washington Staf, Federal Column, Article on Decline of Average Grade in Defense Department and Government-wide.

Agency Material

Classification Act of 1949

Office of Personnel Memorandum: 1-14-7, 28 March 1966.

Office of Personnel Memorandum: 1-14-11, 21 March 1968.

DCI Delegation of Authority to Director of Personnel to Approve Upper Level Ceiling, 26 June 1974.

DCI Memo to Chief, Audit Staff, 4 November 1974.

ADD/A Memo to Director of Personnel re Survey of PMCD, 21 April 1975.

DD/A Memo to Chairman, CSC, 28 April 1975.

Employee Bulletin, No. 497, 23 July 1975, Subject: Progress and New Directions in Personnel Management.

Approved For Release 2003/12/16 : CIA-RDP79-00498A000300090007-2

~~SECRET~~